

F L O R I D A  
*Comprehensive*



A N N U A L  
*Financial Report*

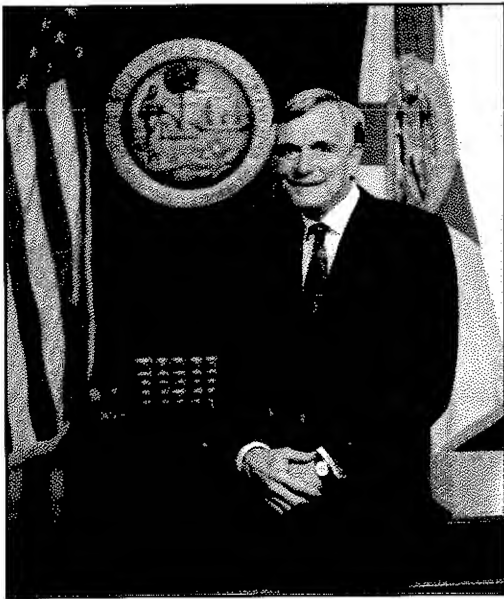
ROBERT F. MILLIGAN  
COMPTROLLER

FISCAL YEAR ENDED  
JUNE 30, 1998

# IN MEMORIAM

APRIL 3, 1930 - DECEMBER 12, 1998

Governor Lawton Chiles, State of Florida



**L**awton Mainor Chiles, Jr. was the 41<sup>st</sup> governor of Florida. He was a fourth generation Floridian with a love for the land and its history. He was born in Lakeland, Florida on April 3, 1930. He earned a B.S. degree from the University of Florida in 1952 and received an L.L.B. degree from the University of Florida College of Law in 1955. He was married to the former Rhea Grafton of Coral Gables and has four surviving children.

His long political career began in 1958 when he was elected to the Florida House of Representatives. In 1968, he was elected to the Florida Senate where he served until 1970. During his campaign for the U. S. Senate in 1969, Lawton Chiles walked 1,003 miles in 91 days from the Panhandle to the Keys wearing a pair of lineman's boots, earning the lasting nickname "Walkin' Lawton". During his eighteen years in the Senate (1971-1989), Chiles served on numerous committees, and he became the first Floridian to serve as Chairman of the prestigious Senate Budget Committee. He left the Senate in 1989 and returned to Florida.

In 1990 Lawton Chiles was elected Governor of the State of Florida. Throughout his political career, Chiles promoted the health, safety, education and families of the state's children. During his first term, Governor Chiles initiated the successful Healthy Start program. This program offers pre-natal care and medical screenings to every pregnant woman and infant in the State. As a result, Florida's infant mortality rate dropped from 9.6 per 1000 in 1990 to 7.4 per 1,000 in 1995, a 23 percent reduction and the lowest infant mortality rate in Florida History.

Among the awards that the Governor received, the following mark his dedication to children and families:

- Child Advocate of the Year Award — 1995
- Outstanding Political Advocate for Your Children Award — 1996
- Recognized as one of ten national "Heroes for the American Family" — 1996
- Spokesperson "Help Them Thrive, Birth to Five" Campaign.

Chiles was re-elected in 1994 and served all but 24 days of his second term. The Chiles Legacy will live on most visibly in the thousands of Florida children who will grow up stronger and more self-sufficient thanks to Healthy Kids and other programs the Governor advocated to help the State's most vulnerable citizens.

# FLORIDA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR  
ENDED JUNE 30, 1998



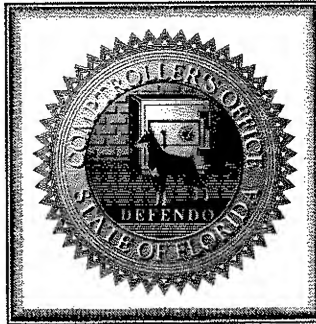
JEB BUSH  
GOVERNOR

ROBERT F. MILLIGAN  
COMPTROLLER

Prepared by the Office of the Comptroller

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the Office of the Comptroller's home page:  
[www.dbf.state.fl.us/](http://www.dbf.state.fl.us/)

# ***ACKNOWLEDGEMENTS***



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- ❁ Special appreciation is given to all fiscal and accounting personnel throughout the State whose extra efforts to contribute financial data for their agencies made this report possible.
- ❁ Graphics design by Mr. Avery Bush, a student at Lively Vocational Center, Tallahassee, Florida, under the direction of Mr. Rick Rice of the Lively Graphics Department.
- ❁ Special thanks to Mr. James Valentine/Naturalist Photographer, Quest Foundation, Inc. for permission to use his beautiful photographs of the Everglades and its plant and animal life.
- ❁ Thanks to the Florida Game and Fresh Water Fish Commission, Office of Information Services, for slides that were used in this publication.

The theme for the 1998 Comprehensive Annual Financial Report cover and divider pages is the Everglades, the largest remaining sub-tropical wilderness in the United States. The Everglades are located in the southern tip of Florida, just west of Miami. Everglades National Park is a complex, fragile ecosystem, which is refuge for 13 threatened or endangered animal species. Due to its uniqueness, the Everglades have been designated as an International Biosphere reserve, a World Heritage Site, and a wetland of International Importance. The Everglades are regarded by scientists as one of the greatest wonders of the world.



# **STATE OF FLORIDA COMPTROLLER'S OFFICE**

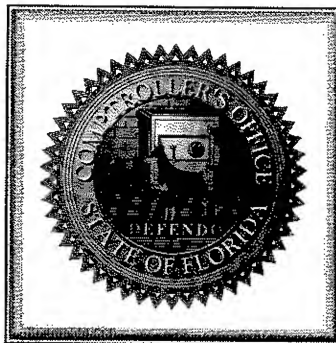
THE COMPTROLLER...HAS BEEN THOUGHT OF FIRST OF ALL AS THE "WATCHDOG OF THE PUBLIC TREASURY." THIS ROLE IS EMPHASIZED IN THE OFFICIAL SEAL OF THE OFFICE. IT SHOWS A LARGE SAFE GUARDED BY A DOG WITH THE WORD DEFENDO BENEATH. DEFENDO MEANS "I DEFEND."

*The Florida Handbook, 21<sup>st</sup> Edition,  
1987-1988 by Allen Morris*

## **VISION**

**Defines our goals for the future.**

- ◆ Accountability to the people of Florida is our highest priority.
- ◆ We will ensure that the State is fiscally sound and is accountable to the public through the Florida Accounting Information Resource (FLAIR) programs.
- ◆ We will deploy the use of state-of-the art information technology to accomplish our responsibilities.
- ◆ We will continuously provide the citizens of Florida with timely, factual and comprehensive information on the financial status of the State.



## **MISSION**

**States why we exist as a department and what we want to achieve for the citizens of the State of Florida.**

- ◆ The Office of Comptroller/ Department of Banking and Finance serves as the "Watchdog" of public funds.
- ◆ Defends and protects the financial interests of Florida citizens through the conduct of our constitutional and regulatory responsibilities.
- ◆ Supports those financial industries the Department oversees.

## **STRATEGIC ISSUES**

- ◆ Accountability for funds entrusted to Florida State government.
- ◆ Concern for consumers and protection of their financial interests.
- ◆ Regulation of the financial services industry and concern for the economic prosperity, integrity, and reputation of the industry.

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# STATE OF FLORIDA

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# *INTRODUCTORY SECTION*



OFFICE OF COMPTROLLER  
DEPARTMENT OF BANKING AND FINANCE  
STATE OF FLORIDA  
TALLAHASSEE  
32399-0350

ROBERT F. MILLIGAN  
COMPTROLLER OF FLORIDA

February 17, 1999

The Honorable Jeb Bush  
Governor of the State of Florida  
The Capitol  
Tallahassee, Florida

Dear Governor Bush:

It is my pleasure to submit to you the Comprehensive Annual Financial Report of the State of Florida for the year ended June 30, 1998. This report has been prepared in conformance with generally accepted accounting principles as prescribed in pronouncements of the Governmental Accounting Standards Board (GASB). It is a comprehensive presentation of the State's financial and operating activities during the past fiscal year. The accuracy and completeness of the presentation are the responsibility of the State.

### **The Reporting Entity**

The reporting entity consists of the State Legislative agencies, departments, boards and commissions of the Executive branch, offices relating to the Judicial branch, and component units of the State. Criteria for defining the reporting entity, identified and described in the GASB's Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600, were used. These criteria are used to evaluate potential component units for which the State is financially accountable, and other organizations for which the nature and significance of their relationship with the State are such that exclusion would cause the State's financial statements to be misleading or incomplete. The reporting entity is further described in Note 1 to the financial statements.

### **Financial Statement Presentation**

This report is presented in three sections: the introduction, the financial section and the statistical and economic data. The introductory section contains this transmittal letter, an organizational chart, a listing of principal State officials and graphs of governmental funds' revenues and expenditures. The financial section includes the auditor's report, the general purpose financial statements, and the combining statements for all funds and account groups. The statistical and economic data section includes various schedules and information regarding the finances and demographics of the State.

Because of the large number of funds used by the State agencies and departments, each fund could not be displayed in the combining statements and maintain a meaningful presentation. Therefore, funds were combined by department, i.e. function, and the most significant are described individually.

### **Accounting System and Budgetary Control**

Section 215.93, Florida Statutes, amended by the Laws of Florida, Chapter 97-286, established the Florida Financial Management Information System (FFMIS). The FFMIS Act requires the design and implementation of a unified management information system, which contains five subsystems. One of the five subsystems designated by the Legislature is the Florida Accounting Information Resource (FLAIR) Subsystem. My office is responsible for the design, implementation and operation of FLAIR.

FLAIR is a computer-based, double entry general ledger accounting system. It provides the capability to account for governmental operations on the modified accrual basis and to account for Proprietary, Nonexpendable Trust, Pension, Investment Trust, and State University System fund's operations on the accrual basis. Internal

accounting controls are in place to provide reasonable assurance regarding the safeguarding of assets and reliability of financial records for the preparation of financial statements and maintaining accountability.

While the departmental component of FLAIR provides agency management with a budgetary check mechanism, the comptroller's central accounting component (also part of FLAIR) maintains a separate accounting system on the cash basis for the control of budget by line item of the appropriations act. Overspending is strictly prohibited by Florida law.

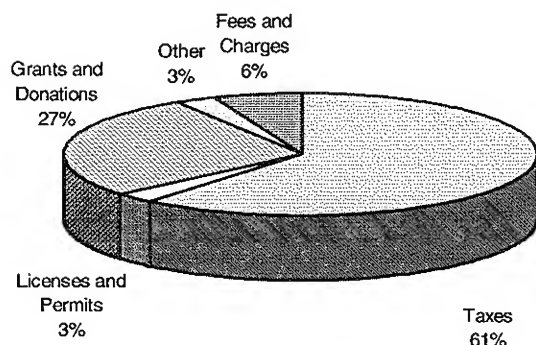
Florida certifies forward liabilities and encumbrances at June 30 and has a six-month period to liquidate these obligations. Unexpended certified forward budget reverts on December 31. Goods or services for all fund types received on or before June 30 are recorded as liabilities and expenditures or expenses, whichever is appropriate. For governmental type funds, certified forward disbursements for goods or services encumbered as of June 30 are appropriately reported as a reserve of fund balance at June 30, and not as liabilities or expenditures.

### General Governmental Functions

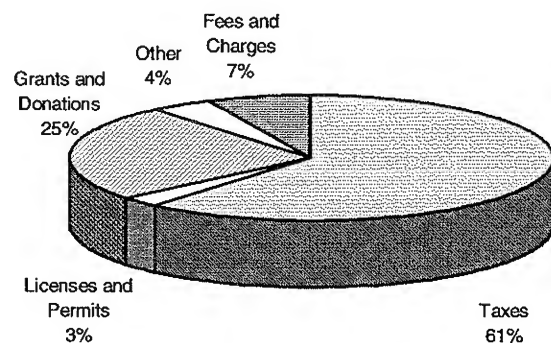
Governmental funds include general, special revenue, capital projects and debt service funds. These funds are presented on the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available to finance current expenditures. The amounts of governmental fund revenues from various sources for the fiscal years 1997 and 1998 are shown below (in thousands):

Revenue Sources	Amount		Amount of Change	Percent of Total	
	1997	1998		1997	1998
Taxes	\$ 20,177,324	\$ 21,895,836	\$ 1,718,512	61	61
Licenses and permits	836,415	908,028	71,613	3	3
Fees and charges	1,819,323	2,582,493	763,170	6	7
Grants and donations	8,935,592	8,933,147	(2,445)	27	25
Investment earnings	420,820	589,347	168,527	1	2
Fines, forfeitures and judgments	171,104	338,908	167,804	1	1
Flexible benefits contributions	56,708	56,505	(203)	.....	.....
Refunds	503,094	537,394	34,300	1	1
Other revenues	37,335	7,860	(29,475)	.....	.....
<b>Totals</b>	<b>\$ 32,957,715</b>	<b>\$ 35,849,518</b>	<b>\$ 2,891,803</b>	<b>100</b>	<b>100</b>

Revenue Sources - 1997

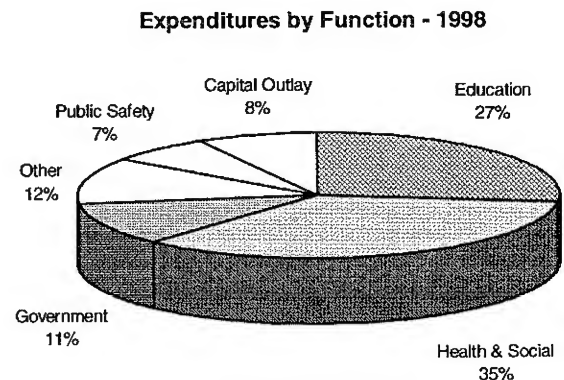
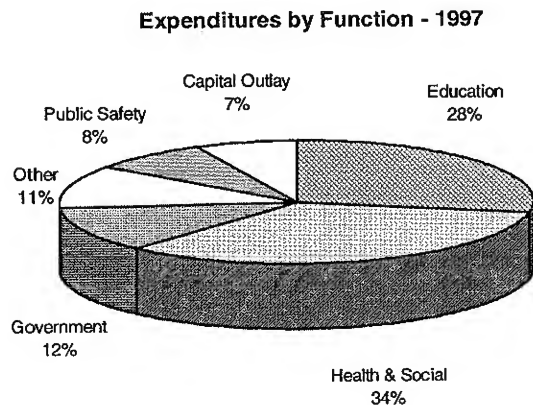


Revenue Sources - 1998



Revenues for governmental funds increased 8.8% over the previous year, while expenditures for governmental fund types totaled \$33.4 billion in fiscal year 1998, a 6.0% increase from the previous year. The amount of expenditures by function for fiscal years 1997 and 1998 are shown below (in thousands):

Function	Amount		Amount of	Percent of Total	
	1997	1998	Change	1997	1998
Economic opportunities, agriculture and employment	\$ 861,593	\$ 922,992	\$ 61,399	3	3
Public safety	2,470,513	2,477,335	6,822	8	7
Education	8,726,968	9,034,923	307,955	28	27
Health and social concerns	10,808,035	11,778,321	970,286	34	35
Housing and community development	206,695	168,915	(37,780)	1	1
Natural resources and environmental management	633,479	614,329	(19,150)	2	2
Recreation and cultural opportunities	169,357	150,813	(18,544)	.....	.....
Transportation	873,326	871,040	(2,286)	3	3
Governmental direction and support services	3,684,412	3,754,842	70,430	12	11
Capital outlay	2,262,697	2,694,903	432,206	7	8
Debt service	797,516	904,607	107,091	2	3
<b>Totals</b>	<b>\$ 31,494,591</b>	<b>\$ 33,373,020</b>	<b>\$ 1,878,429</b>	<b>100</b>	<b>100</b>



Total fund balance at June 30, 1998, for all governmental fund types was \$9.92 billion compared to \$7.88 billion at June 30, 1997. Of this total, \$6.08 billion represents unreserved fund balance which is \$1.13 billion more than the \$4.95 billion last year.

#### Proprietary Funds

The Department of the Lottery is the largest enterprise fund in the State. In comparison to the year ended June 30, 1997, combined enterprise fund operating revenues remained about the same at \$2.5 billion in 1998 and operating expenses remained about the same at \$1.4 billion. In addition to the Department of Lottery, other major enterprise funds account for the operations of the Department of Transportation's toll and turnpike facilities.



Combined internal service fund operating revenues increased from \$990 million in 1997 to \$995 million in 1998, while operating expenses decreased from \$1.13 billion in 1997 to \$1.06 billion in 1998. The Department of Management Services has the largest internal service fund, and the principal services provided include the State Employees Health Insurance Program, facilities management, data processing, motor pool, and telephone communications. Other principal services are provided by the Department of Insurance self-insurance funds and the Department of Children and Families data processing center.

### Debt Administration

Florida maintains a high bond rating from Moody's Investors Services (Aa2), Standard and Poor's Corporation (AA+) and Fitch IBCA, Inc. (AA) on all State general obligation bonds. Outstanding general obligation bonds at June 30, 1998, totaled almost \$8.7 billion and were issued to finance capital outlay for educational projects of local school districts, community colleges and state universities, environmental protection and highway construction.

State general obligation bonds issued during the fiscal year ended June 30, 1998, were as follows (in thousands):

	<u>Amount</u>	<u>Interest Rates</u>
State Board of Education		
PECO Series 1996-B	\$ 200,000	4.500 to 6.500%
PECO Series 1997-A	\$ 250,000	4.875 to 6.500%
Capital Outlay Series 1998-A	\$ 301,705	4.000 to 5.500%
Department of Transportation		
Right-of-Way Acquisition Series 1997-A	\$ 200,000	4.400 to 6.400%
Right-of-Way Acquisition Series 1997-B	\$ 150,000	4.500 to 5.750%
Jacksonville Transportation Authority		
Senior Lien Series 1997-A	\$ 95,690	5.000 to 6.500%

More detailed information about outstanding bonds can be found in the notes to the financial statements and statistical section of this report.

### Retirement System

Assets available for benefits for the Florida Retirement System were \$83.8 billion at June 30, 1998. The latest actuarial valuation of the Florida Retirement System prepared as of July 1, 1997, indicated that the value of the assets available for benefits funded 91.25% of the actuarial accrued liability under the entry age normal cost method.

### Economic Condition and Outlook

The current U. S. Economic Consensus Estimating Conference forecast, which is an important determinant of the state economic outlook, anticipates slower growth during the next two fiscal years. Real Gross Domestic Product is expected to increase 2.6 percent in 1998-99 and 2.2 percent in 1999-2000. Real business investment is anticipated to expand 4.6 percent in 1998-99 and 2.6 percent the next year, while real consumption should increase 4.0 and 2.6 percent during the same time. Underlying the official national economic forecast are key assumptions regarding fiscal policy, monetary policy, and prices. On the monetary side, the Federal Reserve is expected to undertake a series of interest rate cuts to avoid financial turmoil and recession in the U.S. Inflation, as measured by the Consumer Price Index, is expected to remain under control, averaging 2.0 percent in 1998-99 and 2.6 percent in 1999-2000. The federal budget surplus is forecasted to be \$64.7 billion in 1998-99 and \$69.4 billion the next year (on a national income account basis).

In other areas of the U.S. economy, construction activity will begin to soften in 1998-99 and continue to decrease slightly in 1999-2000. Housing starts should reach 1.6 million in 1998-99 and 1.5 million the next year. The stock market, as measured by the Standard and Poor's Index, is expected to increase slightly in 1998-99 and in 1999-2000. Total employment is expected to expand 1.1 percent in 1998-99 and 1.3 percent the next year. The unemployment rate is expected to average 4.5 percent in 1998-99 and 4.6 percent in 1999-2000.

The Honorable Jeb Bush  
February 17, 1999

The Asian crisis continues to reduce U.S. competitiveness while dampening rest-of-world demand. A strong dollar is expected to continue hurting exports and boosting imports in the near future. The economic crisis in most Asian countries may be bottoming out, and some improvement may occur in the next year. Japan's recession is expected to continue. China is likely to devalue its currency within the next year. The devaluation is not expected to lead to another round of regional currency depreciations.

While the Florida economy will also slow, it is expected to continue outperforming the U.S. The Florida economy is also forecasted to grow more slowly in 1999-2000 than in 1998-99. Real personal income in Florida is forecasted to increase 4.9 percent in 1998-99 and 3.5 percent in 1999-2000. During this time, real personal income per capita will grow 3.1 and 1.8 percent.

Total nonfarm jobs are expected to increase 3.4 percent in 1998-99, and 2.9 percent in 1999-2000, reaching almost 7.0 million. Trade and services account for 60 percent of all nonfarm jobs. Service jobs are forecasted to grow 5.5 percent in 1998-99, and 4.4 percent in 1999-2000. Trade jobs will grow 2.8 percent the first year and 2.8 percent next year. Florida's unemployment rate is expected to be 4.5 percent in 1998-99 and 4.7 percent in 1999-2000.

An important element of Florida's economic outlook is the construction sector. Florida's single and multi-family private housing starts are projected to reach a combined total of 144,000 units in 1998-99 and 143,000 units the following year. Multi-family starts have been slow to recover from the early 1990's recession, but they are showing strength with an expected 46,500 starts in 1998-99, and 46,300 starts in 1999-2000. Single family starts are forecasted to be 97,600 in 1998-99, and 96,700 next year. Total construction expenditures will increase 8.6 and 2.5 percent during the two years.

Tourist arrivals are forecasted to increase 2.0 percent in 1998-99 and 1.7 percent the following year. Auto tourists will increase 0.6 percent in 1998-99 and decrease 1.0 percent in 1999-2000, while air tourists will increase 3.2 and 3.9 percent during this time. By the end of 1998-99, 49.7 million domestic and international tourists are expected to visit the State. In 1999-2000, tourist visits should reach 50.6 million.

#### **Cash Management**

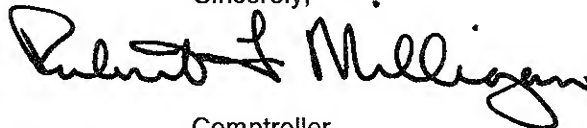
The State Treasurer is responsible for investing the General Revenue Fund and certain trust funds. Authorized investments include certificates of deposits in Florida banks and savings and loan associations, direct obligations of the United States Treasury, commercial paper and bankers' acceptances, medium term corporate notes and commingled and mutual funds. The Treasurer is also designated as the cash manager for the State and operates a statewide cash concentration account in this capacity.

The Treasurer also serves as administrator of the Florida Security for Public Deposit Program. This program encompasses all governmental entities in the State. Participating banks and savings and loan associations guarantee government deposits and pledge collateral at levels varying between 50 and 125 percent. Acceptable collateral includes obligations of the United States Government and its agencies, obligations of the State of Florida and its political subdivisions, and obligations of several states.

#### **Independent Audit**

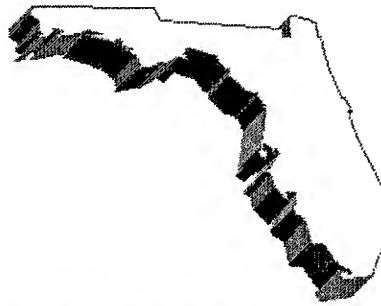
State law requires the Auditor General to conduct financial audits of the accounts and records of all State agencies. His examination is conducted in accordance with generally accepted governmental auditing standards, and his opinion is included as a part of this report. In addition to requirements of State statutes, an audit is conducted pursuant to the requirements set forth in the Federal Single Audit Act Amendments of 1996, and the related OMB Circular A-133. This report is issued separately.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert L. Milligan". The signature is fluid and cursive, with a large, stylized "M" at the end.

Comptroller

RFM:lfs



## THE ELECTORATE OF FLORIDA

### Legislative Branch

Senate  
House of Representatives

*Public Service Commission*  
*Auditor General*  
*Legislative Support Services:*  
*Office of Legislative Services*  
*Office of Legislative Information*  
*Technology Services*  
*Office of Economic and Demographic Research*  
*Commission on Ethics*

### Executive Branch

### Judicial Branch

Supreme Court  
District Courts of Appeal - 5 Districts  
Circuit Courts - 20 Circuits  
County Courts - 67 Counties

*Justice Administrative Commission*  
*Judicial Qualifications Commission*  
*\* State Attorneys*  
*\* Public Defenders*  
*\* Elected Officials*

### Governor

Lt. Governor  
*Executive Office of the Governor*  
Agencies of the Governor  
*Agency for Health Care Administration*  
*Department of Business and Professional Regulation*  
*Department of Citrus*  
*Department of Community Affairs*  
*Department of Corrections*  
*Department of Elderly Affairs*  
*Department of Environmental Protection*  
*Department of Children and Families*  
*Department of Health*  
*Department of Juvenile Justice*  
*Department of Labor and Employment Security*  
*Department of the Lottery*  
*Department of Management Services*  
*Department of Military Affairs*  
*Department of Transportation*

### Cabinet

Comptroller  
*Department of Banking and Finance*  
Secretary of State  
*Department of State*  
Attorney General  
*Department of Legal Affairs*  
Insurance Commissioner & Treasurer  
*Department of Insurance*  
Commissioner of Agriculture  
*Department of Agriculture & Consumer Services*  
Commissioner of Education  
*Secretary of the Board of Education*

### Agencies headed by the Governor and Cabinet

*Department of Education*  
*Department of Highway Safety & Motor Vehicles*  
*Department of Law Enforcement*  
*Department of Revenue*  
*Department of Veterans' Affairs*

### Other Agencies

*Game & Fresh Water Fish Commission*  
*Parole Commission*  
*State Board of Administration*

Florida's Constitution, in the traditional American pattern of "separation of power," divides the governmental structure of the state into three separate independent branches.

The Legislative Branch has exclusive law-making power and determines the general policies by which the problems of society are to be met. The Executive Branch, with the Governor as its chief, administers the laws made by the Legislature. The Cabinet shares some executive power and responsibilities with the Governor.

The Judicial Branch interprets the law and applies the Constitution.

**State of Florida  
Principal Officials  
for the Fiscal Year Ended June 30, 1998**

**EXECUTIVE BRANCH**

**Lawton Chiles, Governor  
Buddy MacKay, Lieutenant Governor**

**CABINET**

**Robert F. Milligan, Comptroller  
Sandra B. Mortham, Secretary of State  
Robert A. Butterworth, Attorney General  
Bill Nelson, Treasurer and Insurance Commissioner  
Bob Crawford, Commissioner of Agriculture  
Frank T. Brogan, Commissioner of Education**

**LEGISLATIVE BRANCH**

**SENATE**

**Toni Jennings, President**

**HOUSE OF REPRESENTATIVES**

**Daniel Webster, Speaker**

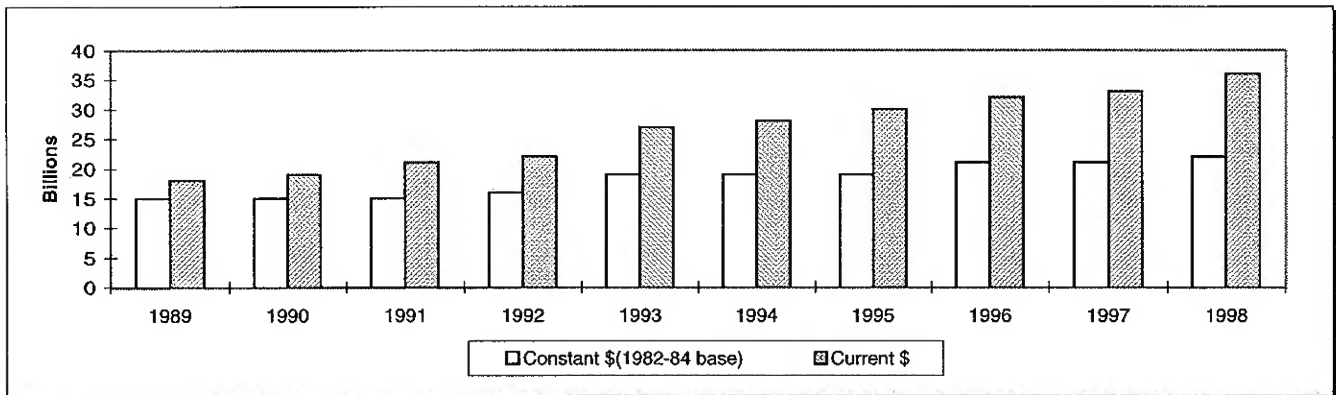
**JUDICIAL BRANCH**

**SUPREME COURT**

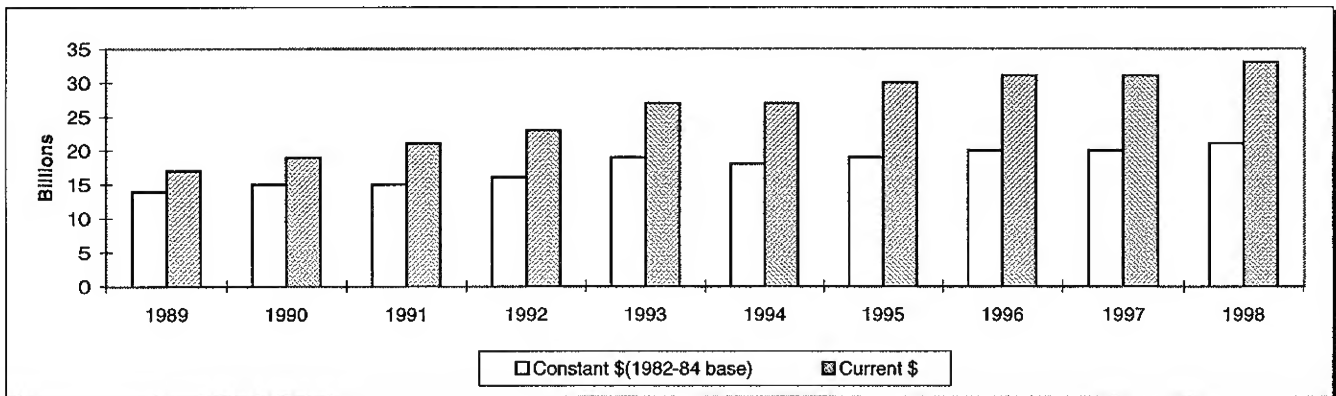
**Gerald Kogan, Chief Justice**



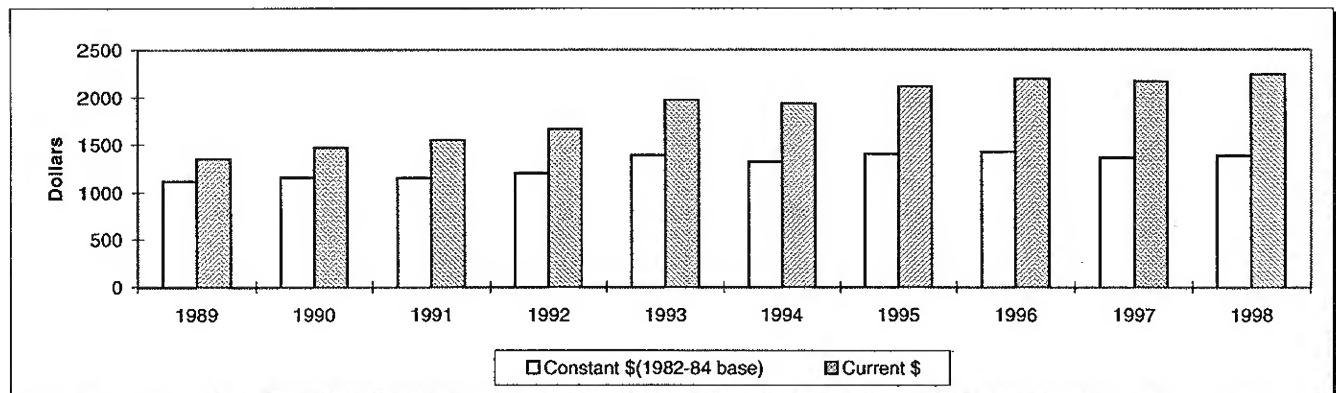
**STATE OF FLORIDA**  
**Total Revenues, All Governmental Fund Types**  
**For Fiscal Years Ended June 30, 1989 - 1998**

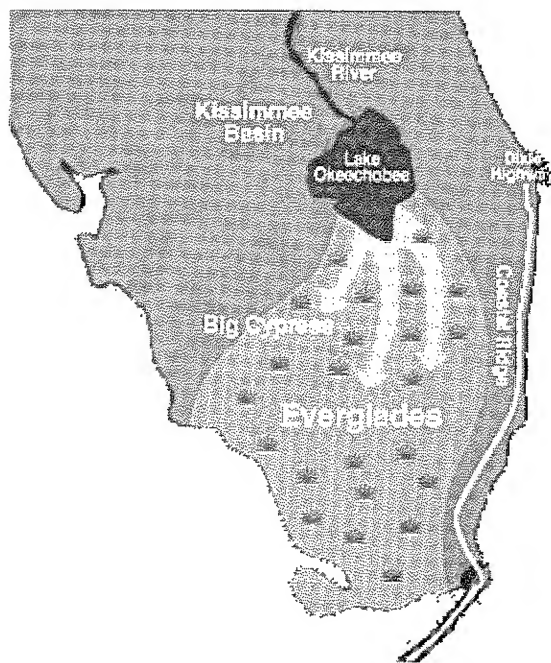


**STATE OF FLORIDA**  
**Total Expenditures, All Governmental Fund Types**  
**For Fiscal Years Ended June 30, 1989 - 1998**



**STATE OF FLORIDA**  
**Total Expenditures Per Capita, All Governmental Fund Types**  
**For Fiscal Years Ended June 30, 1989 - 1998**





*The Everglades are located in the southern tip of Florida, just west of the city of Miami.*

## ***WHAT ARE THE EVERGLADES?***

The Everglades are the largest remaining sub-tropical wilderness in the United States. It is a shallow river containing both fresh and saltwater areas. It extends over 50 miles wide and creeps seaward on a gradually sloping riverbed. The river flow empties into Florida Bay and the Gulf of Mexico. The Everglades contain many kinds of native ecosystems, including rivers, lakes, open ponds, sawgrass marshes, small tree islands (of bald cypresses, willows and slash pines), large hardwood hammocks, sloughs and mangrove swamps. Its abundant wildlife includes rare and endangered species such as the American crocodile, Florida panther, and West Indian manatee.

The Everglades are a low, flat plain shaped by the action of water and weather. Summer storms flood the basin and start the shallow wide river flowing southward to the Gulf of Mexico. This natural cycle of freshwater circulation historically builds up in shallow Lake Okeechobee and begins the flow of the shallow "River of Grass."

Sawgrass covers most of the interior of the Everglades. The sawgrass grows to a height of six feet or more and during the high water cycles. This vast grassy prairie acts as a filter for fresh water. The same water that supports all life in the Everglades also supports the rapidly growing human demands for water in southern Florida. Thus, water management is the critical issue for the Everglades.

Usually in May, spring thunderstorms signal the beginning of the wet season resulting in a summer landscape almost completely covered with water. This results in wildlife dispersing throughout the park, and insects, fish and alligators repopulating the everglades and replenishing the food chain. By December, the rains stop and the dry cycle begins. Water levels gradually drop causing fish, birds, alligators and other animals to migrate to deeper pools of water to feed. This alternating cycle of wet and dry seasons has created different landscapes, each with its own community of plants and animals.

There are no other Everglades in the world. No other place combines a subtropical climate, a broad, shallow river, and a stunning diversity of plants and animals into such a complex and fragile ecosystem.



***FINANCIAL SECTION***



# STATE OF FLORIDA

AUDITOR GENERAL

TALLAHASSEE

CHARLES L. LESTER, CPA  
AUDITOR GENERAL

February 17, 1999

The President of the Senate, the Speaker of the  
House of Representatives, and the  
Legislative Auditing Committee

## ***INDEPENDENT AUDITOR'S REPORT ON GENERAL PURPOSE FINANCIAL STATEMENTS***

We have audited the accompanying general purpose financial statements of the State of Florida, as of and for the fiscal year ended June 30, 1998. These general purpose financial statements are the responsibility of the State's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Legislature constituting approximately 1 percent of assets and revenues of the General Fund; the Florida Department of the Lottery constituting approximately 45.4 percent and 82.6 percent of the assets and revenues, respectively, of the Enterprise Funds; and the Florida Housing Finance Agency constituting approximately 1.9 percent of the revenues of the Enterprise Funds; nor did we audit the discretely presented component units (other than the State's community colleges, comprising approximately 92 percent and 95.7 percent of the assets and revenues, respectively, of the discretely presented community colleges component unit columns) as described in note 1 to the general purpose financial statements. Those financial statements were audited by other auditors whose reports thereon have been furnished to us and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for these entities, is based solely upon the reports of the other auditors.

Except as discussed in the following paragraphs, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general



purpose financial statements are free of material misstatement. The financial statements of a material portion of the discretely presented component units (other than the State's community colleges) were not required to be audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the year 2000 issue. The State of Florida has included such disclosures in Notes 8.B. and 25.m. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the State of Florida's disclosures with respect to the year 2000 issue made in Notes 8.B. and 25.m. Further, we do not provide assurance that the State of Florida is or will be year 2000 ready, that the State of Florida's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the State of Florida does business will be year 2000 ready.

Records of the Board of Trustees of the Internal Improvement Trust Fund were not adequate to document the ownership and valuation of a substantial portion of land, which is stated at \$2.317 billion and constitutes 35.4 percent of the total value of general fixed assets reported in the General Fixed Assets Account Group at June 30, 1998. As a result, it was not practicable in the circumstances for us to determine whether the amount reported for land in the General Fixed Assets Account Group is fairly presented.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding the year 2000 disclosures and adequate documentation regarding the amount reported for land in the General Fixed Assets Account Group, based on our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Florida as

of June 30, 1998, and the results of its operations, and the cash flows of its proprietary fund types, nonexpendable trust fund, and discretely presented component units for the fiscal year then ended in conformity with generally accepted accounting principles.

As discussed in note 1 to the general purpose financial statements, in conformity with generally accepted accounting principles, the State of Florida implemented GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. As a result of the implementation of GASB Statement No. 31, the most significant changes to the general purpose financial statements include the reporting of a majority of investments at fair value, the reporting of the respective changes in the fair value of those investments as an element of investment income, and the reporting of external investment pool activity in the new Investment Trust Funds (Fiduciary funds). Also, as required by GASB Statement No. 32, the State's Internal Revenue Code Section 457 deferred compensation plan has been reported as an expendable trust fund.

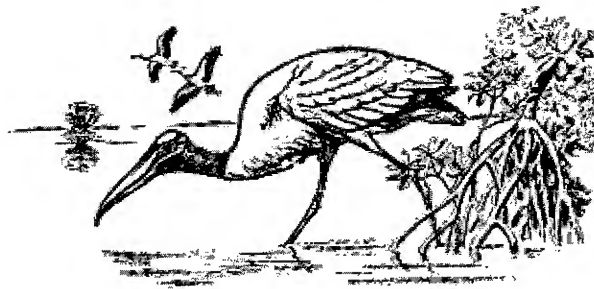
Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group and discretely presented component units financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Florida. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding the year 2000 disclosures and adequate documentation regarding the amount reported for land in the General Fixed Assets Account Group, based upon our audit and reports of other auditors is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole. The information included in the introduction and the statistical and economic data listed in the table of contents was not audited by us and, accordingly, we do not express an opinion on such information.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 1999, on our consideration of the State of Florida's internal control over financial reporting and our tests of its compliance with certain provisions of laws, administrative rules, regulations, contracts, and grants. This report is included as part of our separately issued Report on the Audit of the General Purpose Financial Statements of the State of Florida, audit report No. 13393, dated February 17, 1999.

Respectfully submitted,

A handwritten signature in cursive script, reading "Charles L. Lester". The signature is written in black ink and is positioned above the printed name and title.

Charles L. Lester, CPA  
Auditor General



## **WOOD STORK**

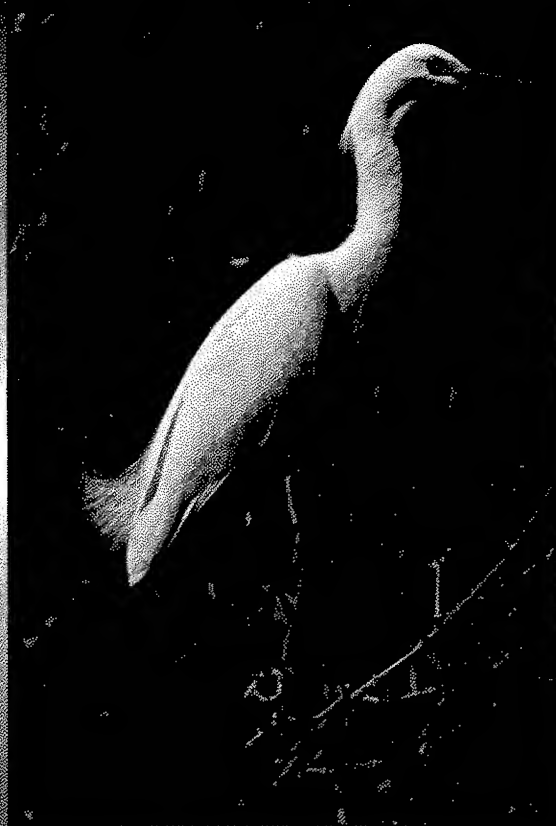
Species: "Mycteria americana"

### **Description:**

There are seventeen species of storks in the world, however, the only species found in the United States is the wood stork. The wood stork, which stands over 3 feet tall, has a five foot wing spread and weighs 4 to 7 pounds. In 1984, the wood stork was placed on the federal endangered species list. The endangered wood stork has declined from 6,000 nesting birds to just 500 since the 1960s.

G E N E R A L

# *Purpose*



Snowy Egret  
Threatened Species

F I N A N C I A L

# *Statements*

# STATE OF FLORIDA

## COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS JUNE 30, 1998 (in thousands)

	Governmental				Proprietary	
	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service
<b>ASSETS AND OTHER DEBITS</b>						
Cash and cash equivalents	\$ 5,527	\$ 11,371	\$ .....	\$ 6,627	\$ 28,662	\$ 16,642
Pooled investments with State Treasury (Note 3)	2,661,396	6,003,442	21,630	.....	335,485	154,592
Investments (Note 3)	.....	126,694	.....	287,125	3,295,021	44,522
Receivables, net (Note 4)	1,288,527	1,616,786	206	3,561	28,897	17,047
Due from other funds (Note 14)	246,860	695,105	153,466	2,647	56,302	18,348
Due from component units/primary	95	239,913	.....	.....	340	42
Advances to other funds (Note 14)	16,367	114,022	21,930	.....	67,962	.....
Advances to Component Units	24,827	.....	.....	.....	.....	.....
Inventories	21,537	179,744	.....	.....	3,344	529
Loans and notes receivable, net (Note 4)	4,286	719,267	.....	.....	7	.....
Restricted cash and cash equivalents (Note 10)	.....	.....	.....	.....	395,333	.....
Restricted investments (Note 10)	.....	.....	.....	.....	73,489	.....
Deferred fiscal charges and other assets	261	992	.....	.....	17,255	235
Land	.....	.....	.....	.....	512,129	.....
Buildings and improvements	.....	.....	.....	.....	2,129,085	659,775
Furniture and equipment	.....	.....	.....	.....	48,853	231,743
Construction in progress	.....	.....	.....	.....	584,561	10,273
Accumulated depreciation	.....	.....	.....	.....	(75,525)	(277,598)
Amount available in debt service fund	.....	.....	.....	.....	.....	.....
Amount to be provided	.....	.....	.....	.....	.....	.....
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 4,269,683</b>	<b>\$ 9,707,336</b>	<b>\$ 197,232</b>	<b>\$ 299,960</b>	<b>\$ 7,501,200</b>	<b>\$ 876,150</b>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 438,812	\$ 1,679,054	\$ 14,899	\$ 501	\$ 2,091,561	\$ 666,752
Due to other funds (Note 14)	347,078	941,967	923	.....	73,151	27,974
Due to component units/primary	15,700	189,137	10	.....	273	.....
Advances from other funds (Note 14)	.....	30,120	.....	.....	184,398	2,003
Bonds payable (Note 9)	.....	.....	.....	.....	1,714,247	320,023
Certificates of participation payable	.....	.....	.....	.....	.....	48,543
Notes and leases payable (Note 11)	.....	.....	.....	.....	.....	98,717
Deferred revenues	.....	414,724	.....	.....	4,194	4,173
Payable from restricted assets (Note 10)	.....	.....	.....	.....	28,853	.....
Compensated absences	6,616	6,548	.....	.....	4,186	10,184
Obligations under security lending agreements	146,635	315,379	1,135	.....	1,094,844	8,162
Other liabilities	1	562	1	1,386	8,878	29
<b>Total Liabilities</b>	<b>954,842</b>	<b>3,577,491</b>	<b>16,968</b>	<b>1,887</b>	<b>5,204,585</b>	<b>1,186,560</b>
Fund Equity and Other Credits:						
Contributed capital	.....	.....	.....	.....	160,297	1,713
Investment in fixed assets	.....	.....	.....	.....	.....	.....
Retained Earnings:						
Reserved	.....	.....	.....	.....	446,562	.....
Unreserved	.....	.....	.....	.....	1,689,756	(312,123)
Fund Balances:						
Reserved (Note 24)	766,070	2,725,553	56,096	298,073	.....	.....
Unreserved	2,548,771	3,404,292	124,168	.....	.....	.....
<b>Total Fund Equity and Other Credits</b>	<b>3,314,841</b>	<b>6,129,845</b>	<b>180,264</b>	<b>298,073</b>	<b>2,296,615</b>	<b>(310,410)</b>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b>\$ 4,269,683</b>	<b>\$ 9,707,336</b>	<b>\$ 197,232</b>	<b>\$ 299,960</b>	<b>\$ 7,501,200</b>	<b>\$ 876,150</b>

The accompanying notes to the financial statements are an integral part of this statement.



# STATE OF FLORIDA

Fiduciary Trust and Agency	Account Groups		State University System Fund Types	Total Primary Government (Memorandum Only)		Component Units		Total Reporting Entity (Memorandum Only) 6/30/98
	General Fixed Assets	General Long-Term Debt		6/30/98	6/30/97	Community Colleges	Other	
\$ 100,894	\$ .....	\$ .....	\$ 33,277	\$ 203,000	\$ 198,980	\$ 50,533	\$ 247,205	\$ 500,738
3,683,058	.....	.....	803,455	13,663,058	12,215,363	.....	.....	13,663,058
113,597,630	.....	.....	82,498	117,433,490	95,134,350	377,572	1,850,465	119,661,527
1,599,354	.....	.....	141,997	4,696,375	4,612,897	44,525	388,830	5,129,730
224,557	.....	.....	641,081	2,038,366	1,826,023	12,641	23,665	2,074,672
.....	.....	.....	4,910	245,300	155,090	567,386	664,333	1,477,019
.....	.....	.....	.....	220,281	284,514	.....	.....	220,281
.....	.....	.....	.....	24,827	.....	.....	.....	24,827
2	.....	.....	12,617	217,773	534,963	10,166	20,343	248,282
601,851	.....	.....	73,735	1,399,146	2,779,368	11,612	31,089	1,441,847
.....	.....	.....	.....	395,333	157,304	.....	5,670	401,003
.....	.....	.....	.....	73,489	1,423,244	.....	254,600	328,089
10,187	.....	.....	5,771	34,701	61,442	1,897	247,107	283,705
1,882	2,317,263	.....	108,141	2,939,415	2,775,663	136,535	1,347,659	4,423,609
.....	2,094,956	.....	2,831,561	7,715,377	7,140,757	1,941,407	1,550,297	11,207,081
3,324	1,749,574	.....	1,578,822	3,612,316	3,620,332	551,574	1,027,899	5,191,789
.....	377,436	.....	241,796	1,214,066	1,238,452	72,434	258,558	1,545,058
(1,651)	.....	.....	.....	(354,774)	(348,654)	.....	(79,029)	(433,803)
.....	.....	298,073	.....	298,073	273,388	.....	85,391	383,464
.....	.....	11,667,977	.....	11,667,977	10,543,068	.....	316,528	11,984,505
<b>\$ 119,821,088</b>	<b>\$ 6,539,229</b>	<b>\$ 11,966,050</b>	<b>\$ 6,559,661</b>	<b>\$ 167,737,589</b>	<b>\$ 144,626,544</b>	<b>\$ 3,778,282</b>	<b>\$ 8,240,610</b>	<b>\$ 179,756,481</b>
\$ 3,049,398	\$ .....	\$ 20,728	\$ 182,006	\$ 8,143,711	\$ 15,662,751	\$ 105,343	\$ 556,469	\$ 8,805,523
417,600	.....	.....	229,673	2,038,366	1,826,023	12,641	23,665	2,074,672
982,501	.....	.....	10,632	1,198,253	973,122	80,999	300,191	1,579,443
2,352	.....	.....	1,408	220,281	284,514	.....	.....	220,281
.....	.....	11,253,815	367,870	13,655,955	14,303,380	44,198	1,886,364	15,586,517
.....	.....	155	52	48,750	56,544	.....	.....	48,750
.....	.....	64,183	3,020	165,920	166,287	16,479	21,822	204,221
.....	.....	.....	23,466	446,557	974,373	5,942	184,791	637,290
.....	.....	.....	.....	28,853	116,654	.....	.....	28,853
1,355	.....	620,435	216,996	866,320	790,701	116,812	28,191	1,011,323
10,094,853	.....	.....	42,225	11,703,233	10,475,702	.....	.....	11,703,233
8,852,353	.....	6,734	26,717	8,896,661	8,158,104	70,605	238,145	9,205,411
<b>23,400,412</b>	<b>.....</b>	<b>11,966,050</b>	<b>1,104,065</b>	<b>47,412,860</b>	<b>53,788,155</b>	<b>453,019</b>	<b>3,239,638</b>	<b>51,105,517</b>
.....	.....	.....	.....	162,010	160,631	.....	112,524	274,534
.....	6,539,229	.....	4,419,530	10,958,759	10,448,366	2,583,967	2,063,728	15,606,454
.....	.....	.....	.....	446,562	253,328	.....	149,555	596,117
.....	.....	.....	.....	1,377,633	1,507,475	.....	117,928	1,495,561
93,688,395	.....	.....	820,378	98,354,565	71,124,974	499,635	300,996	99,155,196
2,732,281	.....	.....	215,688	9,025,200	7,343,615	241,661	2,256,241	11,523,102
<b>96,420,676</b>	<b>6,539,229</b>	<b>.....</b>	<b>5,455,596</b>	<b>120,324,729</b>	<b>90,838,389</b>	<b>3,325,263</b>	<b>5,000,972</b>	<b>128,650,964</b>
<b>\$ 119,821,088</b>	<b>\$ 6,539,229</b>	<b>\$ 11,966,050</b>	<b>\$ 6,559,661</b>	<b>\$ 167,737,589</b>	<b>\$ 144,626,544</b>	<b>\$ 3,778,282</b>	<b>\$ 8,240,610</b>	<b>\$ 179,756,481</b>

# STATE OF FLORIDA

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS AND DISCRETELY  
PRESENTED OTHER COMPONENT UNITS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998  
(in thousands)**

	Governmental			
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>
<b>REVENUES</b>				
Taxes (Note 5)	\$ 15,941,869	\$ 5,953,967	\$ .....	\$ .....
Licenses and permits	68,185	839,843	.....	.....
Fees and charges	155,444	2,371,662	506	54,881
Grants and donations	2,129	8,929,370	1,648	.....
Investment earnings	260,385	302,256	732	25,974
Fines, forfeits and judgments	152,412	186,496	.....	.....
Flexible benefits contributions	.....	56,505	.....	.....
Refunds	64,497	472,697	200	.....
Other	.....	7,802	.....	58
<b>TOTAL REVENUES</b>	<b>16,644,921</b>	<b>19,120,598</b>	<b>3,086</b>	<b>80,913</b>
<b>EXPENDITURES</b>				
Current:				
Expenditures	.....	.....	.....	.....
Economic opportunities, agriculture and employment	61,561	861,431	.....	.....
Public safety	1,976,740	500,595	.....	.....
Education	6,889,146	2,145,777	.....	.....
Health and social concerns	3,829,198	7,949,123	.....	.....
Housing and community development	4,394	164,521	.....	.....
Natural resources and environmental management	164,545	449,784	.....	.....
Recreational and cultural opportunities	61,857	88,956	.....	.....
Transportation	.....	871,040	.....	.....
Governmental direction and support services	1,366,039	2,369,433	.....	19,370
Capital outlay	71,121	2,301,884	321,898	.....
Debt service:				
Principal retirement	1,624	4,276	3,940	312,053
Interest and fiscal charges	95	849	6,410	575,360
<b>TOTAL EXPENDITURES</b>	<b>14,426,320</b>	<b>17,707,669</b>	<b>332,248</b>	<b>906,783</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>2,218,601</b>	<b>1,412,929</b>	<b>(329,162)</b>	<b>(825,870)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds of bond issues	.....	1,488,310	.....	37,122
Proceeds of refunding bonds	.....	.....	.....	438,329
Operating transfers in	2,911,085	7,690,672	593,329	814,339
Operating transfers out	(2,593,994)	(8,359,081)	(274,661)	(2,376)
Transfers to State University System	(1,568,855)	.....	.....	.....
Transfers in from component units/primary	.....	3,342	.....	.....
Transfers out to component units/primary	(638,414)	(531,546)	(24)	.....
Proceeds of financing agreements	476	1,403	.....	.....
Payments to refunded bond agent	.....	.....	.....	(438,329)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,889,702)</b>	<b>293,100</b>	<b>318,644</b>	<b>849,085</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>328,899</b>	<b>1,706,029</b>	<b>(10,518)</b>	<b>23,215</b>
Fund Balances, July 1	2,941,767	4,433,853	230,259	273,388
Adjustments to increase (decrease) beginning fund balances (Note 16)	(778)	(17,466)	3,627	1,470
Fund Balances, July 1, as restated	2,940,989	4,416,387	233,886	274,858
Residual Equity Transfers	43,104	.....	(43,104)	.....
Change in Reserve for Inventories	1,849	7,429	.....	.....
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 3,314,841</b>	<b>\$ 6,129,845</b>	<b>\$ 180,264</b>	<b>\$ 298,073</b>

The accompanying notes to the financial statements are an integral part of this statement.

<u>Fiduciary</u> <u>Expendable</u> <u>Trust</u>	<u>Total</u> <u>Primary Government</u> <u>(Memorandum Only)</u>		<u>Component</u> <u>Units</u>	<u>Total</u> <u>Reporting Entity</u> <u>(Memorandum Only)</u>	
	<u>6/30/98</u>	<u>6/30/97</u>		<u>6/30/98</u>	
\$ 709,274	\$ 22,605,110	\$ 20,978,978	\$ 338,688	\$ 22,943,798	
.....	908,028	836,415	12,454	920,482	
820,870	3,403,363	2,514,824	1,239,574	4,642,937	
19,145	8,952,292	8,960,472	328,572	9,280,864	
556,063	1,145,410	736,442	255,267	1,400,677	
140,555	479,463	303,378	16	479,479	
.....	56,505	56,708	.....	56,505	
7,126	544,520	521,908	48	544,568	
4,744	12,604	39,037	81,903	94,507	
<b>2,257,777</b>	<b>38,107,295</b>	<b>34,948,162</b>	<b>2,256,522</b>	<b>40,363,817</b>	
.....	.....	.....	1,649,586	1,649,586	
997,561	1,920,553	1,894,610	.....	1,920,553	
.....	2,477,335	2,470,513	.....	2,477,335	
596	9,035,519	8,727,761	.....	9,035,519	
27	11,778,348	10,808,057	.....	11,778,348	
.....	168,915	206,695	.....	168,915	
.....	614,329	633,479	.....	614,329	
.....	150,813	169,357	.....	150,813	
.....	871,040	875,463	.....	871,040	
911,276	4,666,118	4,026,003	.....	4,666,118	
84	2,694,987	2,262,760	189,342	2,884,329	
.....	321,893	270,079	7,895	329,788	
.....	582,714	527,439	19,877	602,591	
<b>1,909,544</b>	<b>35,282,564</b>	<b>32,872,216</b>	<b>1,866,700</b>	<b>37,149,264</b>	
<b>348,233</b>	<b>2,824,731</b>	<b>2,075,946</b>	<b>389,822</b>	<b>3,214,553</b>	
259,754	1,785,186	1,093,123	.....	1,785,186	
.....	438,329	217,245	.....	438,329	
45,517	12,054,942	10,774,170	39,139	12,094,081	
(163,170)	(11,393,282)	(10,075,381)	(39,139)	(11,432,421)	
.....	(1,568,855)	(1,294,962)	.....	(1,568,855)	
.....	3,342	1,523	205,721	209,063	
(4,957)	(1,174,941)	(1,020,139)	(165,476)	(1,340,417)	
.....	1,879	1,090	1,335	3,214	
.....	(438,329)	(217,245)	.....	(438,329)	
<b>137,144</b>	<b>(291,729)</b>	<b>(520,576)</b>	<b>41,580</b>	<b>(250,149)</b>	
<b>485,377</b>	<b>2,533,002</b>	<b>1,555,370</b>	<b>431,402</b>	<b>2,964,404</b>	
2,239,220	10,118,487	8,552,951	2,301,479	12,419,966	
10,570	(2,577)	(6,860)	(172,819)	(175,396)	
2,249,790	10,115,910	8,546,091	2,128,660	12,244,570	
.....	.....	35,913	(2,825)	(2,825)	
1	9,279	(18,887)	.....	9,279	
<b>\$ 2,735,168</b>	<b>\$ 12,658,191</b>	<b>\$ 10,118,487</b>	<b>\$ 2,557,237</b>	<b>\$ 15,215,428</b>	

# STATE OF FLORIDA

## COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS) - ALL BUDGETARY FUND TYPES FOR THE FISCAL YEAR ENDED JUNE 30, 1998 (in thousands)

	General Revenue			Trust		
	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
Fund balances, July 1, 1997	\$ 906,947	\$ 906,947	\$ .....	\$ 7,060,225	\$ 7,060,225	\$ .....
Reversions	197,398	197,398	.....	236,976	236,976	.....
Fund balances, July 1, 1997, restated	1,104,345	1,104,345	.....	7,297,201	7,297,201	.....
<b>REVENUES</b>						
Direct:						
Fees and charges	163,900	151,312	(12,588)	3,880,219	3,696,367	(183,852)
Licenses	60,500	63,441	2,941	775,613	838,501	62,888
Taxes	15,657,804	15,576,091	(81,713)	6,652,847	6,434,262	(218,585)
Miscellaneous	.....	855	855	599,835	595,780	(4,055)
Interest	155,700	216,397	60,697	386,147	470,611	84,464
Grants	.....	10	10	9,471,690	7,306,521	(2,165,169)
Refunds	.....	176,596	176,596	379,873	492,653	112,780
Bond proceeds	.....	.....	.....	1,984,902	2,085,034	100,132
Other	.....	152,322	152,322	417,242	836,053	418,811
Total Direct Revenues	16,037,904	16,337,024	299,120	24,548,368	22,755,782	(1,792,586)
Indirect:						
Employee/employer contributions	.....	.....	.....	4,039,353	4,126,191	86,838
Transfers and distributions	2,171,703	2,355,581	183,878	7,907,112	7,930,910	23,798
Sale of investments	.....	.....	.....	2,023,778	2,025,183	1,405
Other	131,000	1,050	(129,950)	1,993,993	2,026,919	32,926
Total Indirect Revenues	2,302,703	2,356,631	53,928	15,964,236	16,109,203	144,967
<b>TOTAL REVENUES</b>	<b>18,340,607</b>	<b>18,693,655</b>	<b>353,048</b>	<b>40,512,604</b>	<b>38,864,985</b>	<b>(1,647,619)</b>
<b>TOTAL AVAILABLE RESOURCES</b>	<b>19,444,952</b>	<b>19,798,000</b>	<b>353,048</b>	<b>47,809,805</b>	<b>46,162,186</b>	<b>(1,647,619)</b>
<b>EXPENDITURES</b>						
Operating:						
Salaries and benefits	3,506,786	3,487,337	19,449	2,904,410	2,787,250	117,160
Other personal services	176,646	173,002	3,644	444,859	383,354	61,505
Expenses	760,100	746,029	14,071	1,119,683	976,825	142,858
Grants and aids	7,554,432	7,551,512	2,920	3,833,064	3,649,103	183,961
Operating capital outlay	92,722	91,524	1,198	181,466	140,685	40,781
Food products	59,451	55,034	4,417	4,603	3,493	1,110
Fixed capital outlay	27,065	27,065	.....	2,265,729	2,265,729	.....
Lump sum	2,571	523	2,048	68	.....	68
Special categories	4,171,145	4,151,861	19,284	7,746,331	6,864,713	881,618
Financial assistance payments	333,831	331,358	2,473	2,523,020	1,411,054	1,111,966
Debt service	.....	.....	.....	17,008	17,008	.....
Grants/aids to local govts./NFP/Profit	67,792	67,792	.....	102,022	102,022	.....
Payments to U.S. Treasury	.....	.....	.....	11,665	11,665	.....
Data processing services	77,296	76,731	565	122,358	119,506	2,852
Pensions and benefits	6,878	6,224	654	1,918,218	1,852,950	65,268
Claim bills and relief acts	1,608	1,608	.....	58	58	.....
Special expenses	.....	.....	.....	372	372	.....
Total Operating Expenditures	16,838,323	16,767,600	70,723	23,194,934	20,585,787	2,609,147
Nonoperating:						
Transfers	914,228	914,228	.....	6,730,195	6,730,195	.....
Purchase of investments	.....	.....	.....	3,489,136	3,489,136	.....
Refunds	206,960	206,960	.....	184,799	184,799	.....
Other nonoperating	1,163,584	1,163,584	.....	6,520,573	6,520,573	.....
Reissues	789	789	.....	904	904	.....
Total Nonoperating Expenditures	2,285,561	2,285,561	.....	16,925,607	16,925,607	.....
<b>TOTAL EXPENDITURES</b>	<b>19,123,884</b>	<b>19,053,161</b>	<b>70,723</b>	<b>40,120,541</b>	<b>37,511,394</b>	<b>2,609,147</b>
<b>FUND BALANCES, JUNE 30, 1998</b>	<b>\$ 321,068</b>	<b>\$ 744,839</b>	<b>\$ 423,771</b>	<b>\$ 7,689,264</b>	<b>\$ 8,650,792</b>	<b>\$ 961,528</b>

The accompanying notes to the financial statements are an integral part of this statement.

Budget Stabilization			Working Capital			Totals (Memorandum Only)		
Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
\$ 409,390	\$ 409,390	\$ .....	\$ 193,548	\$ 193,548	\$ .....	\$ 8,570,110	\$ 8,570,110	\$ .....
.....	.....	.....	.....	.....	.....	434,374	434,374	.....
409,390	409,390	.....	193,548	193,548	.....	9,004,484	9,004,484	.....
.....	.....	.....	.....	.....	.....	4,044,119	3,847,679	(196,440)
.....	.....	.....	.....	.....	.....	836,113	901,942	65,829
.....	.....	.....	.....	.....	.....	22,310,651	22,010,353	(300,298)
.....	.....	.....	.....	.....	.....	599,835	596,635	(3,200)
.....	.....	.....	3,100	17,890	14,790	544,947	704,898	159,951
.....	.....	.....	.....	.....	.....	9,471,690	7,306,531	(2,165,159)
.....	.....	.....	.....	.....	.....	379,873	669,249	289,376
.....	.....	.....	.....	.....	.....	1,984,902	2,085,034	100,132
.....	.....	.....	.....	.....	.....	417,242	988,375	571,133
.....	.....	.....	3,100	17,890	14,790	40,589,372	39,110,696	(1,478,676)
.....	.....	.....	.....	.....	.....	4,039,353	4,126,191	86,838
276,600	276,600	.....	150,700	150,700	.....	10,506,115	10,713,791	207,676
.....	.....	.....	.....	.....	.....	2,023,778	2,025,183	1,405
.....	.....	.....	.....	.....	.....	2,124,993	2,027,969	(97,024)
276,600	276,600	.....	150,700	150,700	.....	18,694,239	18,893,134	198,895
276,600	276,600	.....	153,800	168,590	14,790	59,283,611	58,003,830	(1,279,781)
685,990	685,990	.....	347,348	362,138	14,790	68,288,095	67,008,314	(1,279,781)
.....	.....	.....	.....	.....	.....	6,411,196	6,274,587	136,609
.....	.....	.....	.....	.....	.....	621,505	556,356	65,149
.....	.....	.....	.....	.....	.....	1,879,783	1,722,854	156,929
.....	.....	.....	.....	.....	.....	11,387,496	11,200,615	186,881
.....	.....	.....	.....	.....	.....	274,188	232,209	41,979
.....	.....	.....	.....	.....	.....	64,054	58,527	5,527
.....	.....	.....	384	384	.....	2,293,178	2,293,178	.....
.....	.....	.....	.....	.....	.....	2,639	523	2,116
.....	.....	.....	.....	.....	.....	11,917,476	11,016,574	900,902
.....	.....	.....	.....	.....	.....	2,856,851	1,742,412	1,114,439
.....	.....	.....	.....	.....	.....	17,008	17,008	.....
.....	.....	.....	.....	.....	.....	169,814	169,814	.....
.....	.....	.....	.....	.....	.....	11,665	11,665	.....
.....	.....	.....	.....	.....	.....	199,654	196,237	3,417
.....	.....	.....	.....	.....	.....	1,925,096	1,859,174	65,922
.....	.....	.....	.....	.....	.....	1,666	1,666	.....
.....	.....	.....	.....	.....	.....	372	372	.....
.....	.....	.....	384	384	.....	40,033,641	37,353,771	2,679,870
.....	.....	.....	.....	.....	.....	7,644,423	7,644,423	.....
.....	.....	.....	.....	.....	.....	3,489,136	3,489,136	.....
.....	.....	.....	5,810	5,810	.....	397,569	397,569	.....
.....	.....	.....	.....	.....	.....	7,684,157	7,684,157	.....
.....	.....	.....	.....	.....	.....	1,693	1,693	.....
.....	.....	.....	5,810	5,810	.....	19,216,978	19,216,978	.....
.....	.....	.....	6,194	6,194	.....	59,250,619	56,570,749	2,679,870
\$ 685,990	\$ 685,990	\$ .....	\$ 341,154	\$ 355,944	\$ 14,790	\$ 9,037,476	\$ 10,437,565	\$ 1,400,089

# STATE OF FLORIDA

## COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCES ALL PROPRIETARY FUND TYPES, SIMILAR TRUST FUNDS AND DISCRETELY PRESENTED OTHER COMPONENT UNITS FOR THE FISCAL YEAR ENDED JUNE 30, 1998 (in thousands)

	Proprietary		Fiduciary	
	Enterprise	Internal Service	Nonexpendable	Pension
<b>OPERATING REVENUES</b>				
Sales -- state	\$ 445	\$ 886,330	\$ .....	\$ .....
Sales -- nonstate	2,440,271	37,401	.....	.....
Rents -- state	22	70,490	.....	.....
Rents and royalties -- nonstate	7,414	289	.....	.....
Investment earnings	.....	.....	.....	109
Program interest	41,779	.....	.....	.....
Pension fund contributions	.....	.....	.....	111,303
Other	1,686	1	.....	.....
<b>TOTAL OPERATING REVENUES</b>	<b>2,491,617</b>	<b>994,511</b>	<b>.....</b>	<b>111,412</b>
<b>OPERATING EXPENSES</b>				
Personal services	66,880	83,631	.....	55
Contractual services	272,562	430,286	.....	82,311
Materials and supplies	25,876	19,698	.....	11
Bad debt	3,089	.....	.....	.....
Depreciation	9,407	27,185	.....	1
Interest and fiscal charges	247	.....	.....	.....
Insurance claims	.....	477,611	.....	.....
Repairs and maintenance	25	21,895	.....	.....
Cost of goods sold	24,487	.....	.....	.....
Payment of lottery winnings	1,021,560	.....	.....	.....
<b>TOTAL OPERATING EXPENSES</b>	<b>1,424,133</b>	<b>1,060,306</b>	<b>.....</b>	<b>82,378</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>1,067,484</b>	<b>(65,795)</b>	<b>.....</b>	<b>29,034</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Grants and contributions	15,268	229	.....	.....
Investment earnings	405,465	14,062	132	.....
Interest and fiscal charges	(178,039)	(18,456)	.....	.....
Amortization	(143,329)	.....	.....	.....
Property disposition gain/(loss)	(6,785)	(5,867)	.....	.....
Escrow distribution	(25,556)	.....	.....	.....
Grant expense and client benefits	(66,665)	.....	.....	.....
Other	45	1	.....	.....
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>404</b>	<b>(10,031)</b>	<b>132</b>	<b>.....</b>
<b>INCOME/(LOSS) BEFORE OPERATING TRANSFERS</b>	<b>1,067,888</b>	<b>(75,826)</b>	<b>132</b>	<b>29,034</b>
Operating transfers in	1,272,442	126,544	.....	.....
Operating transfers out	(2,049,532)	(46,800)	(142)	(28,957)
Transfers in from component units/primary	50,771	.....	.....	.....
Transfers out to component units/primary	(376,569)	.....	.....	.....
<b>NET INCOME/(LOSS)</b>	<b>(35,000)</b>	<b>3,918</b>	<b>(10)</b>	<b>77</b>
Retained Earnings/Fund Balances, July 1	2,077,343	(316,540)	1,209	360
Adjustments to increase (decrease) beginning retained earnings/fund balances (Note 16)	93,975	499	10	9
Retained Earnings/Fund Balances, July 1, as restated	2,171,318	(316,041)	1,219	369
Residual Equity Transfers	.....	.....	.....	.....
<b>RETAINED EARNINGS/FUND BALANCES, JUNE 30</b>	<b>\$ 2,136,318</b>	<b>\$ (312,123)</b>	<b>\$ 1,209</b>	<b>\$ 446</b>

The accompanying notes to the financial statements are an integral part of this statement.



Total Primary Government (Memorandum Only)		Component Units	Total Reporting Entity (Memorandum Only)	
6/30/98	6/30/97		6/30/98	
\$ 886,775	\$ 889,454	\$ .....	\$ 886,775	
2,477,672	2,497,048	223,449	2,701,121	
70,512	66,010	.....	70,512	
7,703	7,268	.....	7,703	
109	88	.....	109	
41,779	81,457	.....	41,779	
111,303	99,040	.....	111,303	
1,687	8,215	4,592	6,279	
<b>3,597,540</b>	<b>3,648,580</b>	<b>228,041</b>	<b>3,825,581</b>	
150,566	153,954	45,596	196,162	
785,159	743,683	2,491	787,650	
45,585	48,289	5,786	51,371	
3,089	8,818	.....	3,089	
36,593	43,312	4,830	41,423	
247	327	17	264	
477,611	569,574	19,135	496,746	
21,920	33,940	10,074	31,994	
24,487	42,547	75,096	99,583	
1,021,560	1,026,985	.....	1,021,560	
<b>2,566,817</b>	<b>2,671,429</b>	<b>163,025</b>	<b>2,729,842</b>	
<b>1,030,723</b>	<b>977,151</b>	<b>65,016</b>	<b>1,095,739</b>	
15,497	31,028	13,042	28,539	
419,659	191,941	28,771	448,430	
(196,495)	(291,186)	(60,075)	(256,570)	
(143,329)	(1,057)	.....	(143,329)	
(12,652)	(103,537)	(2,452)	(15,104)	
(25,556)	(17,898)	.....	(25,556)	
(66,665)	(109,215)	(857)	(67,522)	
46	1,260	(2,760)	(2,714)	
<b>(9,495)</b>	<b>(298,664)</b>	<b>(24,331)</b>	<b>(33,826)</b>	
<b>1,021,228</b>	<b>678,487</b>	<b>40,685</b>	<b>1,061,913</b>	
1,398,986	368,513	.....	1,398,986	
(2,125,431)	(1,098,682)	.....	(2,125,431)	
50,771	.....	4,759	55,530	
(376,569)	(39,478)	(41,761)	(418,330)	
<b>(31,015)</b>	<b>(91,160)</b>	<b>3,683</b>	<b>(27,332)</b>	
1,762,372	1,854,554	262,355	2,024,727	
94,493	(1,022)	(1,380)	93,113	
1,856,865	1,853,532	260,975	2,117,840	
.....	.....	2,825	2,825	
<b>\$ 1,825,850</b>	<b>\$ 1,762,372</b>	<b>\$ 267,483</b>	<b>\$ 2,093,333</b>	

# STATE OF FLORIDA

**COMBINED STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUND  
AND DISCRETELY PRESENTED OTHER COMPONENT UNITS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998  
(in thousands)**

	<u>Proprietary</u>		<u>Fiduciary</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Nonexpendable</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash from customers and users	\$ 2,533,250	\$ 1,049,821	\$ .....
Cash paid to suppliers and vendors	(330,671)	(469,466)	.....
Cash paid to employees	(65,843)	(79,142)	.....
Cash paid for insurance claims	(4,085)	(484,590)	.....
Cash paid for lottery prizes	(1,030,164)	.....	.....
Cash paid for housing loans issued	(152,702)	.....	.....
Cash paid for client benefits	(58,315)	.....	.....
<b>NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES</b>	<b>891,470</b>	<b>16,623</b>	<b>.....</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfers in from other funds	132,951	129,235	.....
Advances from other funds	2	.....	.....
Transfers out to other funds	(983,331)	(79,940)	.....
Advances to other funds	.....	.....	.....
Payment of bonds and loans	(236,416)	.....	.....
Bond proceeds from loan program	180,497	.....	.....
Donations	1,190	.....	.....
<b>NET CAPITAL PROVIDED/(USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>(905,107)</b>	<b>49,295</b>	<b>.....</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Proceeds from sale of fixed assets	40	351	.....
Proceeds from sale of bonds	628,992	11,441	.....
Payment of bonds and loans	(222,457)	(7,085)	.....
Principal on installment purchases/leases	(6,675)	(6,972)	.....
Payment of interest	(91,303)	(17,378)	.....
Purchase or construction of fixed assets	(291,146)	(52,729)	.....
<b>NET CASH PROVIDED/(USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>17,451</b>	<b>(72,372)</b>	<b>.....</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Sale or maturity of investments	1,241,242	500	.....
Interest received	127,729	20,404	79
Purchase of investments	(1,139,834)	.....	.....
<b>NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES</b>	<b>229,137</b>	<b>20,904</b>	<b>79</b>
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>232,951</b>	<b>14,450</b>	<b>79</b>
Cash and cash equivalents, July 1	526,529	156,784	2,016
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<b>\$ 759,480</b>	<b>\$ 171,234</b>	<b>\$ 2,095</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINED BALANCE SHEET</b>			
Cash and cash equivalents	\$ 28,662	\$ 16,642	\$ .....
Pooled investments with State Treasury	335,485	154,592	2,095
Restricted cash and cash equivalents	395,333	.....	.....
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>\$ 759,480</b>	<b>\$ 171,234</b>	<b>\$ 2,095</b>

The accompanying notes to the financial statements are an integral part of this statement.

Total Primary Government (Memorandum Only)		Component Unit	Total Reporting Entity (Memorandum Only)	
6/30/98	6/30/97		6/30/98	
\$ 3,583,071	\$ 3,711,277	\$ 211,641	\$ 3,794,712	
(800,137)	(769,537)	(107,785)	(907,922)	
(144,985)	(164,189)	(26,072)	(171,057)	
(488,675)	(316,631)	(13,593)	(502,268)	
(1,030,164)	(1,053,955)	.....	(1,030,164)	
(152,702)	(244,404)	.....	(152,702)	
(58,315)	(11,946)	.....	(58,315)	
<b>908,093</b>	<b>1,150,615</b>	<b>64,191</b>	<b>972,284</b>	
262,186	495,988	14,340	276,526	
2	60,710	15,006	15,008	
(1,063,271)	(1,572,318)	(1,060)	(1,064,331)	
.....	(50,443)	(4,901)	(4,901)	
(236,416)	(302,041)	.....	(236,416)	
180,497	527,920	.....	180,497	
1,190	548	.....	1,190	
<b>(855,812)</b>	<b>(839,636)</b>	<b>23,385</b>	<b>(832,427)</b>	
391	456	29,306	29,697	
640,433	22,303	259,984	900,417	
(229,542)	(120,072)	(71,191)	(300,733)	
(13,647)	(7,700)	(1,645)	(15,292)	
(108,681)	(103,691)	(55,202)	(163,883)	
(343,875)	(274,745)	(99,403)	(443,278)	
<b>(54,921)</b>	<b>(483,449)</b>	<b>61,849</b>	<b>6,928</b>	
1,241,742	967,444	378,083	1,619,825	
148,212	132,821	25,979	174,191	
(1,139,834)	(1,123,698)	(537,649)	(1,677,483)	
<b>250,120</b>	<b>(23,433)</b>	<b>(133,587)</b>	<b>116,533</b>	
<b>247,480</b>	<b>(195,903)</b>	<b>15,838</b>	<b>263,318</b>	
685,329	881,232	15,767	701,096	
<b>\$ 932,809</b>	<b>\$ 685,329</b>	<b>\$ 31,605</b>	<b>\$ 964,414</b>	
\$ 45,304	\$ 49,808	\$ 25,935	\$ 71,239	
492,172	478,217		492,172	
395,333	157,304	5,670	401,003	
<b>\$ 932,809</b>	<b>\$ 685,329</b>	<b>\$ 31,605</b>	<b>\$ 964,414</b>	

# STATE OF FLORIDA

## COMBINED STATEMENT OF CASH FLOWS ALL PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUND AND DISCRETELY PRESENTED OTHER COMPONENT UNITS FOR THE FISCAL YEAR ENDED JUNE 30, 1998 (in thousands)

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	Proprietary		Fiduciary
	Enterprise	Internal Service	Nonexpendable
OPERATING INCOME/(LOSS)	\$ 1,067,484	\$ (65,795)	\$ .....
Adjustment to reconcile operating income to net cash provided/(used) by operating activities:			
Depreciation and amortization expense	9,407	27,185	.....
(Increase)/decrease in accounts receivable	(165,303)	(7,007)	.....
(Increase)/decrease in due from other funds	3,063	12,417	.....
Increase/(decrease) in allowance for uncollectibles	(657)	.....	.....
(Increase)/decrease in inventories	1,923	91	.....
Increase/(decrease) in accounts payable	17,169	27,961	.....
Increase/(decrease) in compensated absences	184	80	.....
Increase/(decrease) in due to other funds	(19,996)	21,149	.....
Increase/(decrease) in deferred revenues	2,403	542	.....
Collection of the loan program	.....	.....	.....
Loan program interest	54,633	.....	.....
Cash used for client benefits	(73,883)	.....	.....
Decrease in prize liability	(4,957)	.....	.....
<b>NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES</b>	<b>\$ 891,470</b>	<b>\$ 16,623</b>	<b>\$ .....</b>

### NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Capital appreciation	\$ 1,486	\$ .....	\$ .....
Borrowing under capital lease or installment purchase	\$ .....	\$ 2,984	\$ .....
Distributions/transfers in of fixed assets	\$ 1,679	\$ 151	\$ .....

Total Primary Government (Memorandum Only)		Component Units	Total Reporting Entity (Memorandum Only)
<u>6/30/98</u>	<u>6/30/97</u>		<u>6/30/98</u>
\$ 1,001,689	\$1,068,488	\$ 65,016	\$ 1,066,705
36,592	9,572	4,830	41,422
(172,310)	(165,303)	9,903	(162,407)
15,480	3,905	(25,894)	(10,414)
(657)	(657)	.....	(657)
2,014	1,923	(597)	1,417
45,130	17,274	355	45,485
264	169	13	277
1,153	(19,996)	11,325	12,478
2,945	2,403	(760)	2,185
.....	.....	.....	.....
54,633	54,633	.....	54,633
(73,883)	(73,883)	.....	(73,883)
(4,957)	(4,957)	.....	(4,957)
<u>\$ 908,093</u>	<u>\$ 893,571</u>	<u>\$ 64,191</u>	<u>\$ 972,284</u>

\$ 1,486	\$ 130,600	\$ .....	\$ 1,486
\$ 2,984	\$ .....	\$ .....	\$ 2,984
\$ 1,830	\$ .....	\$ .....	\$ 1,830

# STATE OF FLORIDA

## COMBINED STATEMENT OF CHANGES IN NET ASSETS DEFINED BENEFIT PENSION PLAN AND INVESTMENT TRUST FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 1998 (in thousands)

	Defined Benefit Pension Plan	Investment Trust Funds	Total 6/30/98
<b>ADDITIONS</b>			
Contributions:			
Pension fund contributions - State	\$ 844,883	\$ .....	\$ 844,883
Pension fund contributions - Non-State	2,362,119	.....	2,362,119
Purchase of time by employees	30,424	.....	30,424
Transfers in from other state funds	55,059	134,754	189,813
Deposits required by law	234	.....	234
<b>Total Contributions and Other Deposits</b>	<b>3,292,719</b>	<b>134,754</b>	<b>3,427,473</b>
Investment Income:			
Interest income	1,274,060	534,737	1,808,797
Dividends	770,368	.....	770,368
Real estate operating income, net	183,133	.....	183,133
Other investment income	3,263	.....	3,263
Net appreciation in fair value	12,767,925	.....	12,767,925
	14,998,749	534,737	15,533,486
Investment activity expense	(128,246)	.....	(128,246)
Transfer out - investment activity expense	.....	(2,017)	(2,017)
<b>Net Income from investing activity</b>	<b>14,870,503</b>	<b>532,720</b>	<b>15,403,223</b>
From security lending activities:			
Security lending income	334,485	47,972	382,457
Security lending expense	(315,315)	(45,119)	(360,434)
<b>Net income from security lending</b>	<b>19,170</b>	<b>2,853</b>	<b>22,023</b>
<b>Total net investment income</b>	<b>14,889,673</b>	<b>535,573</b>	<b>15,425,246</b>
<b>TOTAL ADDITIONS</b>	<b>18,182,392</b>	<b>670,327</b>	<b>18,852,719</b>
<b>DEDUCTIONS</b>			
Transfers out to state funds	19,929	103,082	123,011
Benefit payments	1,743,342	.....	1,743,342
Property disposition loss	16	.....	16
Refund of contributions	2,713	.....	2,713
Administrative expense	11,092	521	11,613
<b>TOTAL DEDUCTIONS</b>	<b>1,777,092</b>	<b>103,603</b>	<b>1,880,695</b>
Depositor activity:			
Deposits	.....	38,757,057	38,757,057
Withdrawals	.....	(38,025,041)	(38,025,041)
<b>Excess of deposits over withdrawals</b>	<b>.....</b>	<b>732,016</b>	<b>732,016</b>
<b>Net Increase</b>	<b>16,405,300</b>	<b>1,298,740</b>	<b>17,704,040</b>
<b>FUND BALANCE RESERVED FOR</b>			
<b>Employees' Pension Benefits and</b>			
<b>External Investment Pool Participants:</b>			
Fund Balances, July 1	67,374,529	.....	67,374,529
Adjustments to increase (decrease) beginning fund balance (Note 16)	2	8,605,282	8,605,284
<b>Fund Balance, July 1, as restated</b>	<b>67,374,531</b>	<b>8,605,282</b>	<b>75,979,813</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 83,779,831</b>	<b>\$ 9,904,022</b>	<b>\$93,683,853</b>

The accompanying notes to the financial statements are an integral part of this statement.



**COMBINED STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES  
AND OTHER CHANGES - STATE UNIVERSITY SYSTEM/COMMUNITY COLLEGES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998  
(in thousands)**

	<u>Primary Government</u>		<u>Component Units</u>
	<u>State University System</u>		<u>Community Colleges</u>
	<u>Unrestricted</u>	<u>Restricted</u>	
<b>REVENUES</b>			
Educational and general:			
Student tuition and fees	\$ 476,517	\$ .....	\$ 312,938
Governmental appropriations - state	1,568,767	88	747,379
Governmental appropriations - federal	.....	7,032	.....
Grants, contracts, and gifts - governmental	13,277	650,884	279,980
Grants, contracts, and gifts - private	15,581	165,784	14,329
Sales and services of educational activities	41,058	18,830	7,575
Investment income	19,775	304	.....
Endowment income	.....	.....	24
Other sources	9,775	3,013	24,747
Total educational and general	2,144,750	845,935	1,386,972
Auxiliary enterprises:			
Sales and services - operations	235,600	.....	60,467
Student fees	72,938	.....	.....
Investment income	10,350	.....	.....
Total auxiliary enterprises	318,888	.....	60,467
<b>TOTAL REVENUES</b>	<b>2,463,638</b>	<b>845,935</b>	<b>1,447,439</b>
<b>EXPENDITURES AND MANDATORY TRANSFERS</b>			
Educational and general:			
Instruction	903,014	100,436	537,660
Research	213,724	305,591	948
Public service	68,530	70,713	19,680
Academic support	306,105	27,568	122,811
Student services	109,776	8,959	139,044
Institutional support	333,195	14,541	225,376
Operations and maintenance of plant	168,592	2,026	131,097
Scholarships and fellowships	62,864	316,101	191,165
Educational and general expenditures	2,165,800	845,935	1,367,781
Mandatory transfers:			
Principal and interest	12,597	.....	6,074
Loan fund matching grants	225	.....	.....
Other	3,004	(28)	.....
Total educational and general	2,181,626	845,907	1,373,855
Auxiliary enterprises:			
Expenditures	276,627	.....	51,142
Mandatory transfers:			
Principal and interest	11,503	.....	.....
Renewals and replacements	2,053	.....	.....
Total auxiliary enterprises	290,183	.....	51,142
<b>TOTAL EXPENDITURES AND MANDATORY TRANSFERS</b>	<b>2,471,809</b>	<b>845,907</b>	<b>1,424,997</b>
<b>OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)</b>			
Excess of restricted receipts over transfers to revenue	.....	7,457	(19,665)
Nonmandatory transfers	7,148	(26,821)	1,865
Component unit transfers	83,882	19,258	.....
Refunded to grantors	.....	(558)	(435)
Reversions	(948)	.....	.....
<b>TOTAL OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS)</b>	<b>90,082</b>	<b>(664)</b>	<b>(18,235)</b>
<b>NET INCREASES (DECREASES) IN FUND BALANCES</b>	<b>\$ 81,911</b>	<b>\$ (636)</b>	<b>\$ 4,207</b>

The accompanying notes to the financial statements are an integral part of this statement.

# STATE OF FLORIDA

## COMBINED STATEMENT OF CHANGES IN FUND BALANCES - STATE UNIVERSITY SYSTEM/COMMUNITY COLLEGES FOR THE FISCAL YEAR ENDED JUNE 30, 1998 (in thousands)

	Primary Government			
	Current Funds		Loan	Endowment Funds
	Unrestricted	Restricted		
<b>REVENUES AND OTHER ADDITIONS</b>				
Unrestricted current fund revenues	\$ 2,144,750	\$ .....	\$ .....	\$ .....
Auxiliary enterprises revenues	318,888	.....	.....	.....
State appropriations - restricted	.....	90	.....	.....
Federal appropriations - restricted	.....	7,032	.....	.....
Governmental grants and contracts - restricted	.....	654,524	816	.....
Private gifts, grants and contracts - restricted	.....	166,612	350	1
Investment income - restricted	.....	4,570	951	66
Realized gains on investments - restricted	.....	.....	.....	.....
Federal government advances	.....	.....	539	.....
Interest on loans receivable	.....	.....	2,080	.....
Expended for plant facilities	.....	.....	.....	.....
Retirement of indebtedness	.....	.....	.....	.....
Other revenues and additions	.....	21,013	1,582	.....
<b>TOTAL REVENUES AND OTHER ADDITIONS</b>	<b>2,463,638</b>	<b>853,841</b>	<b>6,318</b>	<b>67</b>
<b>EXPENDITURES AND OTHER DEDUCTIONS</b>				
Educational and general expenditures	2,165,800	845,935	.....	.....
Auxiliary enterprises expenditures	276,627	.....	.....	.....
Indirect costs recovered	.....	449	.....	.....
Refunded to grantors	.....	558	23	.....
Loan cancellations and write-offs	.....	.....	1,628	.....
Administrative and collection costs	.....	.....	485	.....
Expended for plant facilities	.....	.....	.....	.....
Retirement of indebtedness	.....	.....	.....	.....
Interest on indebtedness	.....	.....	.....	.....
Disposal of plant facilities	.....	.....	.....	.....
Other expenditures and deductions	.....	.....	205	47
Reversions	948	.....	.....	.....
<b>TOTAL EXPENDITURES AND OTHER DEDUCTIONS</b>	<b>2,443,375</b>	<b>846,942</b>	<b>2,341</b>	<b>47</b>
<b>TRANSFERS AMONG FUNDS- ADDITIONS (DEDUCTIONS)</b>				
Mandatory:				
Principal and interest	(24,100)	.....	.....	.....
Renewals and replacements	(2,053)	.....	.....	.....
Loan fund matching grants	(225)	.....	225	.....
Other mandatory transfers	(3,004)	28	.....	.....
Nonmandatory:				
Interfund	7,148	(26,821)	(1,128)	85
Component units	83,882	19,258	.....	.....
<b>TOTAL TRANSFERS AMONG FUNDS</b>	<b>61,648</b>	<b>(7,535)</b>	<b>(903)</b>	<b>85</b>
<b>NET INCREASE (DECREASE) FOR THE YEAR</b>	<b>81,911</b>	<b>(636)</b>	<b>3,074</b>	<b>105</b>
Fund balances, July 1	250,866	160,044	92,934	342
Adjustments to beginning fund balances (Note 16)	.....	.....	.....	3,184
Fund balances, July 1, as restated	250,866	160,044	92,934	3,526
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 332,777</b>	<b>\$ 159,408</b>	<b>\$ 96,008</b>	<b>\$ 3,631</b>

The accompanying notes to the financial statements are an integral part of this statement.

Primary Government Plant Fund Group				Component Units
Unexpended	Renewals and Replacements	Retirement of Indebtedne	Investment in Plant	Community Colleges
\$ .....	\$ .....	\$ .....	\$ .....	\$ 1,153,661
162,219	.....	.....	.....	172,886
280	30	49	.....	312,460
6,675	.....	.....	.....	13,522
11,813	564	1,855	.....	43,318
.....	.....	.....	.....	14,004
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
544	.....	.....	387,918	154,765
2,526	97	2,954	14,720	24,931
.....	.....	.....	.....	26,982
<b>184,057</b>	<b>691</b>	<b>4,858</b>	<b>402,638</b>	<b>1,916,529</b>
.....	.....	.....	.....	1,399,015
.....	.....	.....	.....	51,142
.....	.....	.....	.....	2,275
.....	.....	.....	.....	.....
.....	.....	.....	.....	1,896
.....	.....	31	.....	434
247,493	836	.....	.....	123,392
.....	.....	13,460	.....	24,523
.....	.....	20,725	.....	5,256
.....	.....	.....	65,115	45,897
682	321	1,438	13,947	1,314
9	.....	.....	.....	.....
<b>248,184</b>	<b>1,157</b>	<b>35,654</b>	<b>79,062</b>	<b>1,655,144</b>
.....	.....	24,100	.....	.....
.....	464	1,589	.....	.....
.....	.....	.....	.....	.....
2,976	.....	.....	.....	.....
22,195	993	5,230	(7,702)	.....
.....	.....	.....	.....	.....
<b>25,171</b>	<b>1,457</b>	<b>30,919</b>	<b>(7,702)</b>	<b>.....</b>
<b>(38,956)</b>	<b>991</b>	<b>123</b>	<b>315,874</b>	<b>261,385</b>
439,346	10,798	19,674	4,114,998	2,857,803
11,342	.....	924	(11,342)	206,075
450,688	10,798	20,598	4,103,656	3,063,878
<b>\$ 411,732</b>	<b>\$ 11,789</b>	<b>\$ 20,721</b>	<b>\$ 4,419,530</b>	<b>\$ 3,325,263</b>

## NOTES TO THE FINANCIAL STATEMENTS TABLE OF CONTENTS

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 1998**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following summary of Florida's significant accounting policies is presented to assist the reader in interpreting the financial statements. These policies should be viewed as an integral part of the accompanying financial statements.

**A. Reporting Entity**

The State of Florida reporting entity consists of the State's legislative agencies, the Governor and Cabinet, the State departments, commissions, and boards of the executive branch, and the various offices relating to the judicial branch of State government. Component units, legally separate organizations for which the State is financially accountable, are also included in the State's reporting entity.

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. These criteria were used to evaluate potential component units for which the State is financially accountable and other organizations for which the nature and significance of their relationship with the State are such that exclusion would cause the State's financial statements to be misleading or incomplete. GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the State to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the State. Additional information pertaining to the individual component units can be obtained from:

**The Bureau of Accounting  
101 East Gaines Street  
Room 414, The Fletcher Building  
Tallahassee, Florida 32399  
(850) 410-9951 Suncom 210-9951**

**B. Basis of Presentation**

The State's financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and present the financial data of the State of Florida (the primary government) and its component units. The component units are included in the State's reporting entity because of the significance of their operational or financial relationships with the State.

The financial position of the State University System is presented in a separate column on the Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units in recognition that the accounting principles applied to the State University System fund types differ materially from those applied to the State's other fund types and account groups. The Combined Statement of Changes in Fund Balances and the Combined Statement of Current Funds Revenues, Expenditures and Other Changes follow a form recommended by the National Association of College and University Business Officers and the American Institute of Certified Public Accountants (AICPA). The Combined Statement of Current Funds Revenues, Expenditures and Other Changes is a statement of financial activities of current funds related to the current reporting period. This statement does not purport to present the results of operations or the net income or loss for the period as would a statement of income or a statement of revenues and expenses.

Total columns on the accompanying combined financial statements are captioned "Memorandum Only" because they are presented only to facilitate financial analyses. Inasmuch as the total columns include fund types, account groups and discretely presented component units that use different bases of accounting, include both restricted and unrestricted amounts, and include interfund transactions that have not been eliminated, data in the total columns are not intended to present financial position, results of operations, or changes in financial

# STATE OF FLORIDA

position in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation.

## **BLENDED COMPONENT UNITS**

Pursuant to Section 240.213, Florida Statutes (F.S.), the State University System's Board of Regents provides medical professional liability insurance through self-insurance programs at the University of Florida and the University of South Florida. As part of these self-insurance programs the Board of Regents has created Captive Insurance Companies. Although legally separate from the State University System, which is a part of the primary government, the Captive Insurance Companies are also reported as if they are part of the primary government because they are wholly owned by the Board of Regents and their sole purpose is to assist in providing liability protection for the universities, the Board of Regents, and affiliated individuals and entities. Additionally, pursuant to Section 376.3075, F.S., the Inland Protection Financing Corporation, which provides financing for the rehabilitation of petroleum contamination sites as further described in Note 9A, is included as a blended component unit.

## **DISCRETELY PRESENTED COMPONENT UNITS**

The following is a description of the State's discretely presented component units:

### **Community Colleges**

Chapter 240, F.S., provides for twenty-eight community colleges located throughout the State and the associated direct-support organizations. Section 240.305, F.S., establishes the State Board of Community Colleges of the Department of Education. The Board is comprised of the Commissioner of Education, one student, and eleven lay citizens appointed by the Governor, approved by four members of the State Board of Education, and confirmed by the Senate. The community colleges follow the same accounting principles as the State University System. Due to the significance of the community colleges and their component units, they are displayed in a separate column from the remaining component units on the combined balance sheet.

### **Other Component Units**

Financial data of discretely presented component units, other than community colleges and their component units, are included in the "other" column of the combined balance sheet. Additional condensed financial statement disclosures for "other" component units are included in Note 26 under the following categories:

#### **Environmental**

*Water Management Districts* - Chapter 373, F.S., created five water management districts in the State. The special districts have a fiscal year-end of September 30. The purpose of these districts is to protect property and the inhabitants in the districts against the effects of water, either from its surplus or deficiency. The Governor, subject to confirmation by the Senate, appoints members of the governing boards. Section 373.503(1), F.S., states that "the general regulatory and administrative functions of the districts...should fully or in part be financed by general appropriations."

#### **Educational**

*University Direct-Support Organizations* - Section 240.299, F.S., defines a direct-support organization (DSO) as an organization which is a Florida corporation, not-for-profit, incorporated under the provisions of Chapter 617, F.S., and approved by the Department of State. Fiscal years are not dictated by State statute. DSOs are organized and operated exclusively to receive, hold, invest and administer property and to make expenditures to, or for, the benefit of the State University System in the State of Florida. The Board of Regents must certify that these organizations are operating in a manner consistent with goals of the university and in the best interest of the State. Any organization which is denied certification cannot use the name of the university which it seeks to serve.

#### **Transportation**

*Transportation/Expressway Authorities* - Any county, or two or more contiguous counties located within a single district of the Department of Transportation, may, by resolution adopted by the board of county commissioners, form an expressway authority which shall be an agency of the State, pursuant to the Florida Expressway Authority Act.



## Other

*Additional Discretely Presented Component Units* - Component units of the State also include various foundations, not-for-profit corporations and direct-support organizations. The fiscal years of these component units may vary.

## JOINT VENTURES

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (1) an ongoing financial interest or (2) an ongoing financial responsibility. The purpose of a joint venture is to pool resources and share the costs, risks, and rewards of providing goods or services to venture participants directly, or for the benefit of the general public or specific service recipients. Financial data for the joint ventures in which the State participates is not included in these statements. To obtain additional information pertaining to these joint ventures, please refer to Note 1A. The following are descriptions of the State's joint ventures:

*Regional Planning Councils* - Sections 186.501-.513, F.S., the "Florida Regional Planning Council Act", create regional planning agencies to assist local governments in resolving their common problems. The regional planning councils are designated as the primary organization to address problems and plan solutions that are of greater-than-local concern or scope. The State has eleven (11) regional planning councils. Participants in these councils have no equity interest but are required by statutes to contribute to the support of these programs.

*Board of Control for Southern Regional Education* - Sections 244.01-.03, F.S., promote the development and maintenance of regional education services and facilities in the southern states to provide greater educational advantages and facilities for the citizens in the region. The states established a joint agency called the Board of Control for Southern Regional Education to submit plans and recommendations to the states from time to time for their approval and adoption by appropriate legislative action for the development, establishment, acquisition, operation and maintenance of educational facilities in the region. There is no equity interest in this joint venture. Support for the Board is appropriated each year.

*Southern Growth Policies Agreement* - This agreement is intended to assist southern states in meeting their own problems by enhancing their abilities to recognize and analyze regional opportunities and take account of regional influences in planning and implementing their public policies. Appropriation requests under any budget are apportioned among the party states to support operations of the agreement, indicating an ongoing financial responsibility by the party states.

*Southern States Energy Compact* - Section 377.711, F.S., enacted this compact into law joining the State of Florida and other states to recognize that proper employment and conservation of energy, and employment of energy-related facilities, materials and products can assist substantially in the industrialization of the South and the development of a balanced economy in the region. Funds are appropriated by the Legislature to support Florida's participation in the compact.

*Dade County Expressway Authority* - Chapter 348, Part 1, F.S. - The Dade County Expressway Authority was created and established pursuant to the Florida Expressway Authority Act. It has the powers to acquire, hold, construct, improve, maintain, operate, own, and lease an expressway system. Its governing body consists of appointments by the State and county and the State has an indirect ongoing financial interest in the Authority.

*Apalachicola-Chattahoochee-Flint River Basin (ACFRB) Commission* - Section 373.71, F.S. - The Commission was created as an interstate administrative agency to promote interstate comity, remove causes of present and future controversies, equitably apportion the surface waters of the ACFRB, and engage in water planning. Operational funding required by the Commission is equally shared among the party states. There is no equity interest in this joint venture.

## RELATED ORGANIZATIONS

Organizations for which a primary government is accountable because that government appoints a voting majority of the board, but is not financially accountable, are related organizations. Examples of such organizations include selected hospital districts, port authorities and aviation authorities. Since the State is not financially accountable for any of these organizations, applicable financial data is not shown. To obtain additional information pertaining to these related organizations, please refer to Note 1A.

## **C. Fund Accounting**

The State of Florida's accounting systems are organized on the basis of funds and account groups. A fund is a fiscal and accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund equity, revenues, either expenditures or expenses depending on the fund type, and other financing sources and uses.

Governmental fund types, proprietary fund types, fiduciary fund types and account groups are used to record transactions relating to all State activities, except those pertaining to the State University System. State University System transactions are recorded in fund types as described in the AICPA College Guide model which is an acceptable alternative provided by GASB Statement No. 15, *Governmental College and University Accounting and Financial Reporting Models*. The aforementioned funds and account groups are described below.

### **GOVERNMENTAL FUND TYPES**

*General Fund* - The general fund is the principal fund used to account for general governmental activities of the State. All financial transactions not required to be accounted for in other funds are accounted for in the general fund.

*Special Revenue Funds* - Special revenue funds are used to account for revenues which are legally restricted to expenditures for specific purposes. Principal sources of legally restricted revenues are motor fuel taxes and Federal grants.

*Capital Projects Funds* - Capital project funds are used to account for resources used for the acquisition or construction of major capital facilities other than those financed by enterprise funds, internal service funds or trust funds.

*Debt Service Fund* - The debt service fund is used to account for resources earmarked to pay principal, interest and service charges on general long-term debt.

### **PROPRIETARY FUND TYPES**

*Enterprise Funds* - Enterprise funds are used to account for activities: (1) that are financed and operated in a manner similar to private business enterprises where the costs of providing goods or services to the general public on a continuing basis are to be financed or recovered primarily through user charges or (2) where the periodic determination of revenues earned, expenses incurred and/or net income is appropriate. Certain segment information relative to enterprise funds is presented in Note 18.

*Internal Service Funds* - Internal service funds are used to account for the financing of goods or services provided by one department to other departments or other governmental units on a cost-reimbursement basis.

### **FIDUCIARY FUND TYPES**

Fiduciary funds consist of expendable, nonexpendable, pension, and investment trust funds and agency funds which are used to account for financial resources held or administered by the State in a trustee capacity or as an agent for individuals, private organizations, other governmental units or other funds. Each trust fund is classified for accounting measurement purposes as either a governmental-type fund or a proprietary-type fund. Accordingly, expendable trust funds are accounted for in the same manner as governmental funds, whereas the nonexpendable, pension, and investment trust funds are accounted for in the same manner as proprietary funds. Agency funds are purely custodial in nature; that is, all assets are held for others. Therefore, assets equal liabilities. Accounting for an agency fund does not involve measuring results of operations.

### **ACCOUNT GROUPS**

The general fixed assets account group is used to establish accounting control for general fixed assets. General fixed assets are usually acquired with resources of governmental fund types and used in association with governmental fund activities. Fixed assets of the proprietary type funds are reported within those funds.

The general long-term debt account group is used to establish accounting control for unmatured long-term debt and other obligations of governmental fund types not paid with current resources. Obligations of funds using proprietary fund accounting are reported as liabilities in those funds rather than in the general long-term debt account group.

The account groups are not funds. They consist of self-balancing sets of accounts and are used only to establish accounting control over general fixed assets and general long-term obligations. Account groups are not used to account for available resources, the acquisition of fixed assets or payment of liabilities.

## **STATE UNIVERSITY SYSTEM FUND TYPES**

*Current Funds* - Current funds are used to account for those economic resources which are expendable for operational purposes in performing the primary objectives of the State University System. Resources restricted by donors or other outside agencies for specific current operating purposes are reported as restricted current funds; resources not so restricted are reported as unrestricted current funds.

*Loan Funds* - Loan funds are used to account for loans to students and the resources available for such loans. The terms of the loan agreements with donors usually specify that the money be used on a revolving basis; that is, repayments of principal and interest by a student borrower are restored to the fund and loaned to other students.

*Endowment Funds* - Endowment funds are used to account for gifts which the donors or outside agencies have stipulated, as a condition of the gift, that the principal is to be maintained inviolate in perpetuity and invested for the purpose of producing income. The income from these investments is reported in the fund in which it is to be used.

*Unexpended Plant Funds* - Unexpended plant funds are used to account for unexpended resources received from various sources to finance the acquisition of long-lasting plant assets and liabilities associated with those resources.

*Renewals and Replacements Plant Funds* - Renewals and replacements plant funds are used to account for resources to be used to provide for the renewal and replacement of plant fund assets as distinguished from resources used for additions and improvements to plant.

*Retirement of Indebtedness Funds* - Retirement of indebtedness funds are used to account for the accumulation of resources to be used for payment of principal and interest and other debt service charges, including contributions for sinking funds, relating to plant fund indebtedness.

*Investment in Plant Fund* - The investment in plant fund is used to account for all long-lasting assets and their associated liabilities used in activities of the State University System, except for the assets accounted for as investments in endowment funds. This fund includes all construction in progress at June 30.

*Agency Funds* - The agency funds are used to account for and report funds held by the institutions of the State University System as custodian or fiscal agent for others.

### **D. Basis of Accounting**

Basis of accounting refers to when revenues, expenditures or expenses, transfers and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the nature of the measurement. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

All governmental fund types, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available to finance expenditures of the current period. When grant terms provide that the expenditure of funds is the primary factor for determining eligibility for grant funds, revenue is recognized at the time the expenditure is made.

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) expenditures for insurance and similar services extending over more than one accounting period generally are not allocated between or among accounting periods but usually are accounted for as expenditures of the period of acquisition and (2) principal and interest on general long-term debt are recognized when due.

The measurement focus of the governmental fund types and expendable trust funds is the current financial resources method which emphasizes the determination of financial position and changes in financial position, rather than net income determination. Only current assets and current liabilities are generally accounted for in these funds.

All proprietary fund types, State University System fund types, and the nonexpendable, pension, and investment trust funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses or expenditures, as applicable, are recognized when incurred. An exception to this general rule for revenue recognition may occur in State University System restricted current funds when expenditures are made for current operating purposes. The measurement focus of the State University System fund types is on the status of funds and on the flow of resources through the fund entities. The primary obligation of accounting and reporting in the State University System fund types is accounting for resources received and used rather than a determination of net income.

The measurement focus of the proprietary fund types and the nonexpendable, pension, and investment trust funds is on a flow of economic resources method which emphasizes the determination of net income, financial position and cash flows. All fund assets and liabilities, current and noncurrent, are accounted for on the balance sheet. Each proprietary fund has the option under Governmental Accounting Standards Board (GASB), Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting* to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The State of Florida has elected to not apply FASB pronouncements issued after the applicable date.

To the extent that State University System current funds are used to finance plant fixed asset acquisitions, the amount so provided is accounted for as: (1) expenditures, in the case of normal replacement of movable equipment and library books; (2) mandatory transfers, in the case of required provisions for debt amortization, interest and equipment renewal and replacement; and (3) transfers of a nonmandatory nature for all other cases. Transfers are recognized by all funds affected in the accounting period in which the interfund receivable and payable arise.

## **E. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of money are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general, special revenue, capital projects, expendable trust and State University System funds. Encumbrances outstanding at fiscal year-end are reported as reservations of fund balances.

## **F. Reserves of Fund Balance**

Reserves are established to indicate that a portion of fund balance is not appropriable or is legally segregated for specific future use. The types of reserves of the State's fund balances are described as follows:

*Reserve for encumbrances* - represents outstanding purchase orders, contracts and other commitments.

*Reserves for inventory, advances and long-term receivables* - represents fund assets that are not expendable financial resources.

*Reserve for debt service* - represents fund assets restricted for payment of debt service.

*Reserve for endowment principal* - represents trust fund assets that must be held in perpetuity by the donee.

*Reserve for employees pension benefits* - represents cumulative assets available and restricted for the payment of obligations of the pension plans. The reserve captures the difference between total pension assets and liabilities at the reporting date.

*Other reserves* - represents fund assets restricted for various reasons including donor-imposed restrictions and statutory guidelines.

## **G. Cash and Cash Equivalents**

Cash includes cash on hand and on deposit in banks, including demand deposits, time deposits, and certificates of deposit. Most deposits are held by financial institutions qualified as public depositories under Florida law. Cash equivalents are short-term, highly liquid investments. For the purposes of GASB *Codification Section 2450, Cash Flow Statements*, pooled investments with the State Treasury include cash equivalents.

**H. Investments**

Investments, other than investments of the Local Government Surplus Funds Trust Fund and the Debt Service Escrowed Fund, are reported at fair value at the reporting date. The investments of the Local Government Surplus Funds Trust Fund, a Securities and Exchange Commission Rule 2a7-like external investment pool, are reported at amortized cost. The investments of the Debt Service Escrowed Fund, which meet the requirements of a legal or in-substance defeasance, are reported at cost. The State invests moneys in various authorized investment vehicles including derivatives. Details of these investments are included in Note 3.

**I. Inventories**

With the exception of the State University System and food stamp inventories as discussed below, most inventories consist of expendable supplies, although the inventories in some funds include small quantities of goods purchased for resale.

Methods of recording expenditures for inventories include both the consumption method and the purchases method, depending on the type of inventory and individual department accounting policy. Under the consumption method, inventories are recorded as expenditures when used or consumed. Under the purchases method, inventories are recorded as expenditures when purchased rather than when subsequently used. Inventories accounted for using the purchases method are included on the combined balance sheet by recording an offsetting reservation of fund balance for the value of such inventories reported.

Accounting methods, including valuation, vary for different inventories. The most common are described below:

*General Fund and Special Revenue Funds* - Inventories of the general fund and special revenue funds utilize either the purchases or consumption method and are valued using various methods of determining cost. Food stamps are recorded at face value in the Special Revenue Fund.

*Proprietary Fund Types* - Inventories of proprietary fund types are accounted for using either the consumption or purchases method and are valued using various methods of determining cost.

*State University System Funds* - Inventories reported by the State University System consist of expendable supplies and goods for resale. Both categories of inventories are expended when consumed or sold. Most of the inventories are valued at cost using the last-invoice-price method of determining cost.

**J. Fixed Assets and Depreciation**

Expenditures for fixed assets acquired or constructed for general governmental purposes are reported in the governmental fund types and expendable trust funds that financed the acquisition or construction. The fixed assets so acquired are capitalized (recorded) at cost in the general fixed assets account group, except for public domain (infrastructure) general fixed assets which are not capitalized. General fixed assets are not depreciated and interest expenditures during construction are not capitalized.

Fixed assets acquired or constructed by proprietary fund types, the nonexpendable trust fund and the pension trust fund are capitalized in the fund financing the acquisition or construction. The fixed assets are recorded at cost and depreciated principally on a straight-line basis over useful lives ranging from 15 to 50 years for buildings and improvements and 3 to 20 years for machinery, equipment and library resources. Net interest costs are capitalized during the construction period. Revenue-producing toll facilities (roads and bridges) are recorded as "improvements other than buildings." State University System fixed assets are generally stated at cost and are not depreciated.

Not included in reported fixed assets are the collections at various historic sites and museums throughout the State. For example, the Florida Museum of Natural History at the University of Florida contains collections of biological, archaeological, geologic and ethnographic items. The Museum of Florida History, located in Tallahassee, currently has artifacts illustrating the history of Florida since the arrival of human beings on the peninsula. It also has access to collections that include: Florida upland and underwater archaeology, Florida archives and Florida and Spanish colonial numismatics. Although these collections are considered irreplaceable and quite valuable, no attempt has been made to place a dollar value on them.



## **K. Long-Term Debt**

Long-term obligations that will be financed from resources to be received in the future by governmental fund types and most expendable trust funds are reported in the general long-term debt account group, not in individual funds. Long-term obligations to be financed from proprietary fund types, the nonexpendable trust fund, the pension trust fund, the State University System funds and the Prepaid Postsecondary Education Expense Trust Fund and the Special Disability Trust Fund (expendable trust funds) are recorded in the applicable funds rather than in the general long-term debt account group.

## **L. Compensated Absences**

Employees earn the right to be compensated during absences for vacation and illness as well as for unused special compensatory leave earned for hours worked on legal holidays and other specially authorized overtime. Compensated absences for annual leave are recorded as a liability when the benefits are earned. Compensated absences for sick leave are calculated based on the vesting method. Within the limits established by law or rule, the value of unused leave benefits will be paid to employees upon separation from State service.

In governmental fund types and expendable trust funds, the expenditure for leave benefits is recognized when payments are made to employees; however, a long-term liability for unused vacation and calculated sick leave benefits is recorded in the general long-term debt account group.

In proprietary fund types, the nonexpendable trust fund and the pension trust fund, the cost of vacation and calculated sick leave benefits is recognized (accrued) in the period they are earned and the corresponding liability for payment of such obligations is recorded in the applicable fund rather than in the general long-term debt account group.

The compensated absences liability of the State University System is recorded in the unrestricted funds. Although the State University System liability is expected to be funded primarily from future appropriations, generally accepted accounting principles for universities following the AICPA College Guide model do not permit the recording of a receivable in the unrestricted current funds in anticipation of future appropriations.

In all funds and the general long-term debt account group, the compensated absences amounts are based on June 30, 1998, salary rates and include employer social security and pension contributions at current rates.

## **M. Nonmonetary Transactions**

Florida participates in various activities which are, in part, represented by nonmonetary transactions. The majority of these nonmonetary transactions are reported within the receiving governmental funds of the State's reporting entity. Examples include nonmonetary assistance in the form of Federal grants, such as food stamps and donated food commodities. The State also acts as an agent for the United States Department of Agriculture in the distribution of donated food commodities to qualifying organizations outside the State reporting entity. Transactions relating to this activity are not reported in the accompanying financial statements.

State Attorneys and Public Defenders of the State of Florida are furnished certain office space and other services by counties under the provisions of Chapter 27, Florida Statutes. Some counties also provide certain facilities and services to other officers and staff of the judicial branch. The value of these services provided by the counties is not reported as a revenue.

## **N. Reporting Changes**

GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, has been implemented for fiscal year 1997-98. This Statement establishes fair value standards for certain investments and accounting and financial reporting standards for all investments held by governmental external investment pools.

GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, has been implemented for fiscal year 1997-98. This Statement rescinds GASB Statement No. 2, *Financial Reporting of Deferred Compensation Plans Adopted under the Provisions of Internal Revenue Code Section 457*, and establishes accounting and financial reporting standards for Internal Revenue Code Section 457 deferred compensation plans of state and local governmental employers. In addition, this

Statement amends the investment guidance for Section 457 plans in GASB Statement No. 31 and requires reporting this activity in an expendable trust fund.

Section 420.504, F.S., originally created the Florida Housing Finance Agency (Agency) as a semi-independent state agency administratively attached to the Department of Community Affairs and was included as part of the State's primary government. Effective January 1, 1998, the Agency was reconstituted as the Florida Housing Finance Corporation (Corporation) and all assets and liabilities were transferred to the Corporation. Pursuant to GASB Statement No. 14, the Corporation has been determined to be a discretely presented component unit of the State. However, due to the fact that the Corporation has selected a December year end, its complete financial data will not be included as part of the State's reporting entity until the fiscal year ended June 30, 1999.

## **NOTE 2 - BUDGETARY PROCESS, REPORTING AND GAAP RECONCILIATION**

### **A. Budget Process**

Chapter 216, Florida Statutes, promulgates the process used to develop the budget for the State of Florida. By September 1 of each year, the head of each State agency and the Chief Justice of the Supreme Court for the Judicial Branch submit a final annual legislative budget request to the Governor and Legislature. Then, at least 45 days before the scheduled annual legislative session in each year, the Governor, as Chief Budget Officer, submits his recommended budget to each legislator.

The Governor also provides estimates of revenues sufficient to fund the recommended appropriations. Estimates for the General Revenue Fund, Budget Stabilization Fund and Working Capital Fund are made by the Revenue Estimating Conference (see the description of the budgetary basis fund types in the next section). This group includes members of the executive and legislative branches with forecasting experience who develop official information regarding anticipated State and local government revenues as needed for the State budgeting process. In addition to the Revenue Estimating Conference, other consensus estimating conferences cover national and state economics, national and state demographics, the state public education system, criminal justice system, social services system, transportation planning and budgeting, the child welfare system, the juvenile justice system and the career education planning process.

Trust fund revenue estimates are generally made by the agency that administers the fund. These estimates are reviewed by the Governor and then incorporated into his recommended budget.

The Governor's recommended budget forms the basis of the appropriations bill. As amended and approved by the Legislature (subject to the line-item veto power of the Governor and override authority of the Legislature), this bill becomes the General Appropriations Act.

The Governor and the Chief Justice of the Supreme Court may, under certain conditions, establish releases for amounts not appropriated by the Legislature to agencies and the judicial branch, respectively. These releases, called additional appropriations, are made primarily for nonoperating disbursements such as the purchase of investments and the transfer of money between State funds.

The Comptroller, as Chief Fiscal Officer, approves disbursements in accordance with legislative authorizations, which are set forth in the Statement of Intent. The budget is controlled at the account code level, which is defined as an appropriation category (e.g., salaries) within a budget entity. The Governor and the Comptroller are responsible for detecting conditions which could lead to a deficit in any agency's funds and reporting that fact to the Administration Commission and the Chief Justice of the Supreme Court. The Constitution of the State, Article VII, Section 1(d), states, "Provision shall be made by law for raising sufficient revenue to defray the expenses of the State for each fiscal period."

The Legislature is responsible for annually providing direction in the General Appropriations Act regarding the use of the Working Capital Fund to offset General Revenue Fund deficits. Absent any specific direction to the contrary, the Governor and the Chief Justice of the Supreme Court shall comply with guidelines provided in Section 216.221(5), F.S., for reductions in the approved operating budgets of the executive branch and the judicial branch.

If circumstances warrant, the head of a department or the Chief Justice of the Supreme Court may transfer appropriations (other than fixed capital outlay appropriations) but only to the extent of five percent of the original

appropriation or \$25,000, whichever is greater. Transfers of general revenue appropriations in excess of five percent or \$25,000, whichever is greater, or for fixed capital outlay, must be approved by the Administration Commission or the Chief Justice of the Supreme Court. The Governor and the Chief Justice of the Supreme Court may approve transfers of expenditure authority within any trust fund for agencies and the judicial branch, respectively.

At the end of the fiscal year, any balance of an operating appropriation which has not been disbursed but is expended (recorded as a payable) or contracted to be expended (recorded as a reserve for encumbrances in governmental fund types), may be certified forward into the next fiscal year. Certifications forward for agencies and the judicial branch are subject to the approval of the Governor and the Chief Justice of the Supreme Court, respectively. Any undisbursed operating appropriation not certified forward reverts to the fund from which it was appropriated as of June 30. Any certified forward operating appropriation remaining after December 31 reverts and is available for reappropriation. Any unexpended appropriation balance for fixed capital outlay subject to, but not under the terms of a binding contract or a general construction contract prior to February 1 of the second fiscal year, or the third fiscal year if it is for educational facilities as defined in Chapter 235, F.S., or a construction project of the Board of Regents, shall revert on February 1 of such year to the fund from which appropriated and shall be available for reappropriation. Universities may carry forward certain unexpended appropriations up to five percent of their total operating budget, which are not subject to reversion.

The State of Florida is progressing toward full implementation of a performance-based budgeting system. Chapter 216, F.S., designates when each department will be phased into this new budgeting method. Some agencies are already subject to the performance-based budgeting standards and all agencies will be under this new system by the fiscal year ended June 30, 2002. With performance-based budgeting, a department receives a lump-sum appropriation from the Legislature for each designated program at the beginning of the year. The Governor for State agencies or the Chief Justice for the judicial branch is responsible for allocating the amounts among the traditional appropriation categories so that specified performance standards can be met. At any time during the year, the agency head or Chief Justice may transfer appropriations between categories within the performance-based program with no limit on the amount of the transfer in order for the designated program to accomplish its objectives.

## **B. Budgetary Basis of Accounting**

The budgetary basis of accounting required by State law differs materially from the basis used to report revenues and expenditures in accordance with generally accepted accounting principles (GAAP). Appropriations are made from funds that are prescribed by law. These legal basis fund types (known as State funds) are the General Revenue Fund, numerous trust funds, the Budget Stabilization Fund, and the Working Capital Fund.

Certain moneys, known as local funds, available to agencies for their operations are maintained outside the State Treasury. Because the funds are located in banks outside of the State Treasury, budgetary authority and the disbursement of these funds are not controlled by the State Comptroller. For example, the State Board of Administration operates from such funds.

Budgetary basis revenues are essentially reported on the cash basis and include amounts classified by GAAP as other financing sources. Budgetary basis expenditures include disbursements, except those for prior year certified forwards, plus current year payables and encumbrances which are certified forward into the next fiscal year. They also include amounts classified by GAAP as other financing uses. State law requires prior year payables and encumbrances not certified forward to be paid from the current year budget. The presentation of the budgetary data excludes most fixed capital outlay projects. Many fixed capital outlay projects are funded on a multi-year basis since major construction projects require several years to complete. These are accounted for as capital projects funds. Appropriations are made in total the first year even though they are released and expended over a period of years as required by the projects. Although the State Transportation Trust Fund within the Department of Transportation is reported as a special revenue fund, the projects within the fund are primarily of a multi-year nature, generally requiring several years to complete and are accounted and appropriated for accordingly. Because of the multi-year nature of such projects, these multi-year fixed capital outlay projects and the State Transportation Trust Fund are not presented on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - All Budgetary Fund Types. The total expenditures for these fixed capital outlay projects for the fiscal year ended June 30, 1998, were \$106 million for general revenue and \$5.4 billion for trust funds.

State agencies maintain the accounting records used in financial statement preparation in accordance with GAAP. However, the State's accounting system has the capability of also accumulating financial data on the



budgetary basis. Therefore, the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - All Budgetary Fund Types is presented using the following statutorily prescribed fund types: General Revenue, Trust, Budget Stabilization and Working Capital Funds. Expenditures are presented by appropriation category and are divided between operating and nonoperating categories. This presentation reflects the actual appropriation process as adopted by the State.

Additional disclosures of budgetary basis financial information may be obtained from the State Comptroller's Office. Refer to Note 1A for correspondence information.

### **C. GAAP Reporting Reconciliation**

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - All Budgetary Fund Types presents comparisons of the legally adopted budget with actual data on a budgetary basis. Since accounting principles applied for the purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of fund balances for the fiscal year ended June 30, 1998 is presented in the following schedule (in thousands):

	<b>GAAP BASIS FUND TYPES</b>	
	<b>General</b>	<b>Special Revenue</b>
Budgetary basis fund balances:		
General Revenue	\$ 744,839	\$ .....
Trust	.....	8,650,792
Budget Stabilization	685,990	.....
Working Capital	355,944	.....
	<u>1,786,773</u>	<u>8,650,792</u>
Trust funds budgetary fund balances other than special revenue funds:		
Included in the general fund	2,696	(2,696)
Included in the proprietary fund types	.....	(776,592)
Included in the trust and agency fund types	.....	(2,883,765)
Included in the State University System funds	.....	(628,762)
Security lending investments within the Treasury	191,429	357,497
Special investments within the Treasury	.....	140,711
Budgetary basis fund balances within the GAAP basis fund types*	<u>1,980,898</u>	<u>4,857,185</u>
Non-treasury cash and investments	896	108,788
Receivables not certified forward (only certain expenditure refunds are certified forward)	1,569,608	2,640,430
Inventories and prepaid items	21,798	160,158
Liabilities not certified forward (accrual items not recognized in the certified forward process)	(330,284)	(3,604,446)
Encumbrances	<u>71,925</u>	<u>1,165,354</u>
GAAP basis fund balances of budgetary funds within the GAAP basis fund types	<u>3,314,841</u>	<u>5,327,469</u>
GAAP basis fund balances not included in the trust funds budgetary fund balances	.....	771,044
GAAP basis fund balances of local (nonbudgetary) funds **	.....	31,332
GAAP basis fund balances	<u>\$ 3,314,841</u>	<u>\$ 6,129,845</u>
Treasury cash and investments	\$ 2,661,396	\$ 5,615,897
Certified forward receivables	11,239	3,699
Certified forward operations and fixed capital outlay	<u>(691,737)</u>	<u>(762,411)</u>
*Budgetary basis fund balances within GAAP basis fund types	<u>\$ 1,980,898</u>	<u>\$ 4,857,185</u>
Cash and investments	\$ 4,631	\$ 28,281
Receivables	115	17,874
Inventories and prepaids	.....	2
Liabilities	<u>(4,746)</u>	<u>(14,825)</u>
**GAAP basis fund balances of local (nonbudgetary) funds	<u>\$ .....</u>	<u>\$ 31,332</u>

## **NOTE 3 - DEPOSITS AND INVESTMENTS**

### **A. Deposits**

At June 30, 1998, the carrying amount of deposits totaled \$2,243,751,446 which consisted of the following: \$190,997,998 cash and cash equivalents in financial institutions; \$395,333,472 restricted cash and cash equivalents in financial institutions; and \$1,657,419,976 pooled investments with the State Treasury. The reported carrying amount of component unit deposits totaled \$300,222,580 which consisted of cash and cash equivalents in financial institutions.

Chapter 280, F.S., generally requires public funds to be deposited in a bank or savings association that is designated by the State Treasurer as authorized to receive deposits in the State and that meets the collateral requirements. Collateral in the amount of the greater of the average daily balance of public deposits multiplied by the depository's minimum collateral pledging level, established by the State Treasurer, or 25 percent of the average monthly balance of public deposits or 125 percent of the average daily balance of public deposits greater than capital, is required to be deposited with the State Treasurer as security for public deposits. Collateral may be held by another custodian with approval of the Treasurer if conditions are met which protect the State's interests. The amount of collateral may be increased to 125 percent of the average daily balance of public deposits if specified conditions exist. Eligible collateral includes federal, federally-guaranteed, state and local government obligations and corporate bonds.

Statutes provide that if a loss to public depositors is not covered by deposit insurance and the proceeds from the sale of securities pledged by the defaulting depository, the difference will be provided by an assessment levied against other qualified public depositories of the same type as the depository in default.

Deposits held in trust that are fully secured under trust business laws, deposits that are fully secured under Federal regulations, and/or deposits that are outside the country are exempted from being placed with a qualified public depository. Also exempt are deposits of the System Trust Fund, which is used to administer the Florida Retirement System. A number of these deposits, however, are insured or collateralized.

The deposit balances reported by the State's banks totaled \$1,547,612,318. Of this amount, \$1,546,843,102 was covered by Federal and other depository insurance or the collateral pool described above and \$769,216 was uncollateralized. The deposit balances reported by component unit banks totaled \$315,227,981. Of this amount, \$245,903,905 was covered by Federal and other depository insurance or the collateral pool described above, \$36,313,853 was collateralized with securities held by the pledging financial institution's trust department in the Component Unit's name, and \$33,010,223 was uncollateralized.

### **B. Investments**

The schedules below disclose the carrying value and fair value of each type of investment classified in categories of credit risk. These categories are as follows:

- a. Insured or registered, or securities held by the State or its agent in the State's name.
- b. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the State's name.
- c. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the State's name.

Certain investments, such as mutual funds, cannot be categorized because they are not evidenced by securities that exist in physical or book entry form. Securities held by the other parties underlying security lending agreements also are not categorized.

#### **1. Pooled Investments with the State Treasury**

Unless specifically exempted by statute, all cash of the State must be deposited in the State Treasury. Certain component units are allowed by statute to deposit cash with the State Treasury. The State Treasury, in turn, keeps the funds fully invested to maximize interest earnings. Authorized investment types are set forth in Section 18.10, F.S., and include certificates of deposit, direct obligations of the United States Treasury, obligations of Federal agencies, asset-backed or mortgage-backed securities, commercial paper, bankers' acceptances, medium term corporate obligations, repurchase agreements, commingled and mutual funds, derivatives, negotiable certificates of deposit; and, subject to certain rating conditions, foreign bonds denominated

in U.S. dollars and registered with the Securities and Exchange Commission (SEC) for sale in the United States and convertible debt obligations of any corporation domiciled within the United States. The State Treasury is also responsible for safekeeping and servicing funds and securities required to be deposited by insurers and agents as a prerequisite to doing business in the State. Securities held solely in custodial capacity for non-State entities are not reported on the State's combined balance sheet.

State Treasury holdings at June 30 include \$115,631,507 held for component units. Deposits held by the State Treasury for component units are reported by the component units as "Due from primary" and may differ in amount due to different component unit reporting periods.

The State Treasury records as an investment, funds credited to the State's account in the Federal Unemployment Compensation Trust Fund pursuant to Section 903 of the Social Security Act. The fund is drawn upon primarily to pay unemployment compensation benefits. This money is pooled with deposits from other states and is managed by the Federal government. No disclosures can be made of specific securities owned.

State statutes authorize the State Treasury to participate in a security lending program. Agents of the State Treasury loan securities, including U.S. Government and federally-guaranteed obligations and bonds and notes to broker/dealers for collateral with a simultaneous agreement to return the collateral for the same securities in the future. Collateral requirements for all lending transactions are 102 percent of the fair value of the underlying security plus accrued interest. Such collateral may consist of cash, government securities, or unconditional, irrevocable standby letters of credit. Cash collateral is invested by the agent in short-term investments authorized by Section 18.10, F.S. Maturities of investments made with cash collateral generally are not matched to maturities of the securities loaned because security loan agreements are generally open-ended with no fixed expiration date. Since the collateral under security lending agreements (including accrued interest) exceeded the fair value of the securities underlying those agreements (including accrued interest), the Treasury had no credit risk exposure at June 30, 1998. If a situation occurs where an agent does not receive collateral sufficient to offset the fair value of any securities lent, or the borrowers fail to return the securities or fail to pay the State Treasury for income distributions by the securities' issuers while the securities are on loan, the agent is required to indemnify the State Treasury for any losses which might occur. Total security lending collateral held at June 30 was \$1,188,997,277. The reported value of investments purchased with the cash portion of the collateral (\$756,110,553) is included in the balance sheet as "Pooled Investments with State Treasury" and "Obligations under Security Lending Agreements." The State Treasury does not have the ability to pledge or sell the non-cash collateral securities so the non-cash portion of the collateral held (U.S. Government and federally-guaranteed obligations valued at \$435,078,056) is not reported in the balance sheet. During the fiscal year, the securities lending program generated \$49,868,988 in revenues for the State Treasury while incurring \$46,644,536 in expenses and \$985,859 in agent fees. Securities on loan at June 30, 1998 are presented as nonclassifiable investments in the following Schedule of Pooled Investments.

The State invests in derivatives of asset-backed and mortgage-backed securities to improve yield. Investments in derivatives of mortgage-backed securities include various classes such as "Interest Only" and "Principal Only". These derivatives are based on cash flows from interest and principal payments on underlying mortgages. Therefore, prices of mortgage derivatives are highly sensitive to pre-payments by mortgagees caused by changing market conditions. In the following Schedule of Pooled Investments, the fair value of derivatives is included in the pooled investments categorized as U.S. Government and federally-guaranteed obligations and bond and notes.

Effective for the fiscal year ended June 30, 1998, GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires that governmental entities report investments at fair value in the balance sheet, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of less than one year, which may be reported at amortized cost. The State Treasury valued all investments determined internally to be long-term using quoted fair value prices, while investments determined to be short-term with one year or less to maturity from trade date were valued at amortized cost. Accordingly, securities identified in the Carrying Value column in the following Schedule of Pooled Investments include securities reported at amortized cost and fair value. Investment earnings, including the change in the fair value of applicable securities and the realized gains and losses from investments in short-term securities are reported as revenue on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances, All Governmental Fund Types, Expendable Trust Funds and Discretely Presented Component Units.

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Detail of the holdings and a reconciliation to the memorandum total of the combined balance sheet, as well as the credit risk of investments held, is as follows (in thousands):

## Schedule of Pooled Investments

	Risk Category		Carrying Value	Fair Value
	A	B		
Certificates of deposit	\$ 92,188	\$ .....	\$ 92,188	\$ 92,188
U. S. Government and federally-guaranteed obligations	4,525,591	.....	4,525,591	4,521,816
Bankers' acceptances	862,110	.....	862,110	853,995
Commercial paper	2,279,245	493,518	2,772,763	2,764,809
Repurchase agreements	5,881	73,837	79,718	79,718
Bonds and notes	1,848,967	188,756	2,037,723	2,037,705
Classifiable Investments	<u>\$ 9,613,982</u>	<u>\$ 756,111</u>	<u>10,370,093</u>	<u>10,350,231</u>
Unemployment compensation funds pooled with U. S. Treasury			2,187,750	2,187,750
Mutual funds			412,921	412,921
U.S. Government and federally-guaranteed obligations held by others under security lending agreements			808,797	808,797
Nonclassifiable Investments			<u>3,409,468</u>	<u>3,409,468</u>
Total Investments			<u>13,779,561</u>	<u>13,759,699</u>
Cash on hand			300	300
Cash on deposit			<u>1,657,420</u>	<u>1,657,420</u>
Total State Treasury holdings			15,437,281	15,417,419
Adjustments:				
Outstanding warrants			(779,052)	(779,052)
Unsettled securities liability			<u>(599,844)</u>	<u>(599,844)</u>
Reconciled balance, June 30, 1998			<u>\$ 14,058,385</u>	<u>\$ 14,038,523</u>
Combined balance sheet presentation:				
Pooled investments with State Treasury (all fund types)			\$ 13,663,058	
Restricted assets (see Note 10)			<u>395,327</u>	
Total			<u>\$ 14,058,385</u>	

## 2. Other Investments

Florida Statutes allow investment of funds in a range of instruments including federally-guaranteed obligations, other Federal agency obligations, certain State bonds, commercial paper, obligations of a Florida political subdivision as permitted by law, common stock, repurchase and reverse repurchase agreements and real estate. Securities identified above may be loaned to security dealers, provided the loan is collateralized by cash or United States government securities having a fair value of at least 100 percent of the fair value of the securities loaned. If bond proceeds are invested, investments must be made in accordance with the bond covenants. These covenants usually require investment in federally-guaranteed obligations.

The State actively invests its funds primarily through the State Board of Administration (pension funds, debt service funds, lottery grand prize funds, local government funds, Florida Hurricane Catastrophe Fund and the Florida Prepaid Postsecondary Education Expense Trust Fund).

The State also invests funds on behalf of component units primarily through the State Board of Administration's Local Government Surplus Funds Trust Fund. Component unit investments administered by the State Board of Administration totaled \$666,140,775 at June 30, 1998. Investments held by the State for component units are reported by component units as "Due from primary" and may differ in amount due to different component unit reporting periods. The State Board of Administration (SBA) issued a separate report (financial statements and notes) pertaining to the State's Investment Trust Funds, administered through the Local Government Surplus Funds Trust Fund Investment Pool (the Pool), for the period ended June 30, 1998, as required by GASB Statement No. 31. Additional information pertaining to the Investment Trust Funds or a copy of the report may be obtained from the:

Chief Financial Officer  
State Board of Administration of Florida  
1801 Hermitage Boulevard  
Tallahassee, Florida 32308  
(850) 488-4406

The Department of Insurance administers for all State employees a deferred compensation plan created in accordance with Section 457, Internal Revenue Code. The Plan permits employees to defer a portion of their salary until future years. The Plan is structured such that participants decide how their contributions are to be invested. To become eligible to receive benefits from the Plan, the employee must terminate employment, retire, die, or suffer an unforeseen emergency. All moneys, pensions, annuities, or other benefits accrued under and pursuant to Section 457, and the deferred compensation plan provided for therein and adopted by this State; and all amounts of compensation deferred thereunder; all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights, are accounted for in the Deferred Compensation Trust Fund in the State Treasury and are held in trust by the State for the exclusive benefit of participants and their beneficiaries. The assets of the Plan remain the property of the State until paid or made available to the participants. The State has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary and prudent investor. Pursuant to GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the fund for the Deferred Compensation Plan was reclassified from an agency fund to an expendable trust fund. The Department is also responsible for the safekeeping and accountability of assets (including investments) of financially troubled insurance companies.

Through the SBA, various funds (primarily the Pension Trust Fund, the Local Government Surplus Funds Trust Fund [an external investment pool], the Florida Lottery Trust Fund, the Florida Hurricane Catastrophe Fund, and the Florida Prepaid Postsecondary Education Expense Trust Fund) participate in a securities lending program. SBA received \$10,947,271,250 of cash collateral and \$1,848,027,533 of U.S. Government securities for the lending programs. In general, the collateral held for the security lending transactions exceeded the market value of the securities underlying the agreements (including accrued interest). SBA is contractually limited from pledging or selling collateral except in the event of borrower default. Maturities of investments made with cash collateral generally are not matched to maturities of the securities loans, due to securities loan agreements generally being open-ended with no fixed expiration date. As such, investments made with cash collateral are primarily in short-term investments. However, investments purchased with cash collateral for the Local Government Surplus Funds Trust Fund, Florida Lottery Trust Fund, and Florida Hurricane Catastrophe Fund included those with maturities of six months or more of approximately 22 percent, 9 percent, and 14 percent, respectively, of total collateral invested. There are no restrictions on the amount of securities that can be loaned at one time to one borrower for the Pension Trust Fund. For the Local Government Surplus Funds Trust Fund, the SBA has adopted industry practice for SEC Rule 2a 7-like pools, which generally restricts lending activity to no more than one-third of the portfolio. At June 30, 1998, there was a credit risk of \$23,367 in one of the security lending programs. SBA has indemnity clauses in all of its lending programs that require the lender to consume any losses resulting from the holding of insufficient collateral. If a loss had occurred on this loan, SBA could recoup the losses from the lender. Total security lending program revenue earned during the 1997-98 fiscal year was \$457,522,428 while total costs incurred were \$432,251,452.

The State's Defined Benefit Pension Plan investments are valued as of June 30, 1998, at \$90,893,153,580. The SBA has established investment policy guidelines for each portfolio within the Defined Benefit Pension Plan. Pursuant to these guidelines, investment derivative instruments are not to be used to speculate in the expectation of earning extremely high returns. Various investment derivative instruments are used as part of the investment strategy to hedge against interest rate risk, currency risk in foreign markets and mortgage-backed security prepayment risk, as well as for yield-curve strategy purposes, diversification, and management of equity market exposure. Investment derivative instruments include futures, options, forward exchange contracts and mortgage-backed security derivative instruments such as collateralized mortgage obligations.

In compliance with GASB Statement Nos. 25 and 31 all investments in the Defined Benefit Pension Plan, including futures contracts, have been reported at fair value. The net gain on futures contracts during the fiscal year was \$40,976,998. The Defined Benefit Pension Plan had 2,988 long and 1,071 short futures contracts open at June 30, 1998. The margins receivable and payable on these open contracts as of June 30, 1998 were \$641,811 and \$255,562, respectively, and are included in the "Receivables" and "Accounts payable and accrued liabilities" totals on the balance sheet. Gains and losses on futures contracts are not deferred until the contracts are closed; they are recognized on a daily basis as fair value changes. As of June 30, 1998, United States Treasury notes with a fair value of \$26,908,540 were pledged as collateral for futures positions.

The fair value of option contracts is reported as an investment on the balance sheet. The notional (principal) balance of the option contracts are not reported on the balance sheet nor in the disclosure of custodial risk. The Defined Benefit Pension Plan's investment in options included 25 short put option contracts and a long position in 40,277 ten-year call options. The notional amounts, if the call options were exercised, would represent a long position in 25,000,000 par value corporate bonds with the contracts expiring October 1, 1998, and a long position in 40,277 shares of stock.

Since the options typically are expected to expire without being exercised or are traded prior to expiration date, the potential gain (loss) is generally the premium amount or some small multiple thereof, not the notional value. The premium amount received for the short put options on corporate bonds totaled \$142,500.

Forward exchange contracts are reported as accounts payable and accounts receivable on the balance sheet. The State recognizes the gains and losses on the forward exchange contracts on the settlement date. The Defined Benefit Pension Plan's forward exchange contracts for the purchase and sale of foreign currencies, based on the exchange rate in effect as of the date of the forward exchange contracts, had a receivable balance of \$186,357,042 with a discount of \$1,004,621 and a payable balance of \$186,423,149 with a premium of \$1,253,259. Upon settlement of the contracts, the receivable and payable balances are reversed and any changes in the foreign currency exchange rates will affect the amount to be paid or received and gains and losses are realized for such difference.

Mortgage-backed security derivative instruments are reported at fair value on the balance sheet and are primarily classified as Federal agencies in the disclosure of custodial risk. The Defined Benefit Pension Plan's investment in mortgage-backed security derivative instruments at fair value totaled \$569,349,402, which was greater than the cost of \$538,496,574 for an unrealized gain of \$30,852,828 at June 30, 1998. During the fiscal year the Defined Benefit Pension Plan participated in a mortgage index swap contract. The swap was based on a notional amount of \$150,000,000 and the net gain was \$4,061,545 during the term of the agreement. As of June 30, 1998, the Defined Benefit Pension Plan had no direct participation in mortgage index swap contracts.

The Defined Benefit Pension Plan for the 1997-98 fiscal year had investment income, including net gains and losses on the sale of investments, totaling \$14,889,673,000. Net gains and losses (realized and unrealized) on the Defined Benefit Pension Plan's investments are reported as "Net appreciation in fair value" in the investment income portion of the Combined Statement of Changes in Net Assets – Defined Benefit Pension Plan and Investment Trust Funds.

The investments of the Prepaid Postsecondary Education Expense Program (an expendable trust fund) were held by the custodian which is also the counterparty. Additionally, the carrying value (securities reported at cost, amortized cost, and fair value) reported in the Other Investments Schedules for the primary government and component units are categorized as follows (in thousands):



## Other Investments Schedule Primary Government

	Risk Category			Carrying Value	Fair Value
	A	B	C		
Certificates of deposit	\$ 794,132	\$ .....	\$ .....	\$ 794,132	\$ 794,115
U. S. Government and					
federally-guaranteed obligations	8,116,786	23,286	1,266,364	9,406,436	9,402,788
Federal agencies obligations	6,517,631	4,666	218,646	6,740,943	6,735,276
Commercial paper	5,548,659	.....	.....	5,548,659	5,548,010
Canadian bills	69,681	.....	.....	69,681	69,665
Repurchase agreements	4,384,465	.....	397,749	4,782,214	4,782,214
Bonds and notes	11,725,632	17,139	135,736	11,878,507	11,878,426
Stocks	40,394,970	16,225	.....	40,411,195	40,411,195
<b>Total classifiable investments</b>	<b>\$77,551,956</b>	<b>\$ 61,316</b>	<b>\$2,018,495</b>	<b>79,631,767</b>	<b>79,621,689</b>
Investments held by others under security lending agreements:					
U. S. obligations				6,923,939	6,924,512
Federal agencies				1,059,780	1,059,736
Bonds and notes				342,885	342,885
Stocks				2,402,022	2,402,022
Investment agreements				417,973	417,973
Real estate agreements				2,474,654	2,474,654
Deferred compensation investments				1,029,536	1,029,536
Money market and mutual funds				23,224,423	23,224,423
<b>Total nonclassifiable investments</b>				<b>37,875,212</b>	<b>37,875,741</b>
<b>Total investments</b>				<b>\$ 117,506,979</b>	<b>\$ 117,497,430</b>
Combined balance sheet presentations:					
Investments				\$ 117,433,490	
Restricted assets - investments				73,489	
<b>Total investments</b>				<b>\$ 117,506,979</b>	

## Other Investments Schedule Component Units

	Risk Category			Carrying Value	Fair Value
	A	B	C		
Certificates of deposit	\$ 2,723	\$ .....	\$ .....	\$ 2,723	\$ 2,723
U. S. Government and					
federally-guaranteed obligations	379,196	67,851	346,646	793,693	793,693
Federal agencies obligations	24,423	13,461	10,475	48,359	48,359
Repurchase agreements	23,997	3,878	5,460	33,335	33,335
Bonds and notes	267,155	12,517	25,202	304,874	304,874
Stocks	522,219	122,181	8,505	652,905	652,905
<b>Total classifiable investments</b>	<b>\$ 1,219,713</b>	<b>\$ 219,888</b>	<b>\$ 396,288</b>	<b>1,835,889</b>	<b>1,835,889</b>
Investment agreements				232,077	232,077
Real estate agreements				32,873	32,873
Deferred compensation investments				45,900	45,900
Money market and mutual funds				335,898	335,898
<b>Total nonclassifiable investments</b>				<b>646,748</b>	<b>646,748</b>
<b>Total investments</b>				<b>\$ 2,482,637</b>	<b>\$ 2,482,637</b>
Combined balance sheet presentations:					
Investments				\$ 2,228,037	
Restricted assets - investments				254,600	
<b>Total investments</b>				<b>\$ 2,482,637</b>	

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## NOTE 4 - RECEIVABLES

Receivables are presented on the combined balance sheet net of allowances for uncollectibles. Information regarding gross receivables and related allowances is presented below (in thousands):

	Fund Types								Total
	Governmental				Proprietary		Fiduciary	State	
	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	University System	
Accounts receivable	\$ 125,612	\$ 533,419	\$ 130	\$ .....	\$ 25,924	\$ 15,392	\$ 3,316,511	\$ 105,173	\$ 4,122,161
Less allowances for uncollectibles	88,463	143,034	.....	.....	1,455	9	2,500,606	12,254	2,745,821
Net accounts receivable	37,149	390,385	130	.....	24,469	15,383	815,905	92,919	1,376,340
Taxes receivable	1,226,444	252,877	.....	.....	.....	.....	41,523	.....	1,520,844
Pension contributions rec.	.....	.....	.....	.....	.....	.....	252,030	.....	252,030
Due from Federal gov't	1	916,986	.....	.....	.....	.....	.....	.....	916,987
Interest receivable	24,885	32,614	76	3,561	4,379	1,244	487,646	6,802	561,207
Other receivables	48	23,924	.....	.....	49	420	2,250	42,276	68,967
Net receivables	\$ 1,288,527	\$ 1,616,786	\$ 206	\$ 3,561	\$ 28,897	\$ 17,047	\$ 1,599,354	\$ 141,997	\$ 4,696,375
Loans/notes receivable	\$ 4,286	\$ 719,267	\$ .....	\$ .....	\$ 7	\$ .....	\$ 604,327	\$ 84,312	\$ 1,412,199
Less allowances for uncollectibles	.....	.....	.....	.....	.....	.....	2,476	10,577	13,053
Net loans and notes receivable	\$ 4,286	\$ 719,267	\$ .....	\$ .....	\$ 7	\$ .....	\$ 601,851	\$ 73,735	\$ 1,399,146

## NOTE 5 - TAX REVENUE

Florida levies neither a personal income tax nor an ad valorem tax on real or tangible personal property. Taxes are, however, the principal means of financing State operations. A schedule of tax revenues by tax type is presented below (in thousands):

	Fund Types			
	Total	General	Special Revenue	Expendable Trust
Sales and use tax	\$ 13,349,272	\$ 13,349,272	\$ .....	\$ .....
Motor fuel tax	1,518,286	.....	1,518,286	.....
Corporate income tax	1,395,566	1,395,566	.....	.....
Intangible personal property tax	1,164,297	.....	1,164,297	.....
Documentary stamp tax	1,005,378	.....	1,005,378	.....
Unemployment compensation tax	573,381	.....	.....	573,381
Alcoholic beverage tax	566,277	546,371	19,906	.....
Gross receipts utilities tax	638,077	.....	638,077	.....
Cigarette tax	444,838	.....	444,838	.....
Estate tax	563,665	563,665	.....	.....
Insurance premium tax	426,511	19,177	407,334	.....
Hospital public assistance tax	272,722	.....	272,722	.....
Workers' compensation special disability tax	207,609	.....	71,716	135,893
Pollutant tax	215,992	.....	215,992	.....
Pari-mutuel wagering tax	63,526	46,817	16,709	.....
Citrus excise tax	65,026	.....	65,026	.....
Solid minerals severance tax	61,269	.....	61,269	.....
Aviation fuel tax	16,623	.....	16,623	.....
Utility regulatory tax	27,890	.....	27,890	.....
Smokeless tobacco tax	21,001	21,001	.....	.....
Oil and gas production tax	6,539	.....	6,539	.....
Other taxes	1,365	.....	1,365	.....
Total	\$ 22,605,110	\$ 15,941,869	\$ 5,953,967	\$ 709,274



## NOTE 6 - CHANGES IN GENERAL FIXED ASSETS

Changes during the fiscal year in general fixed assets are summarized below (in thousands):

	Balances 7/1/97	Adjustments	Additions	Deletions	Balances 6/30/98
Land	\$ 2,242,882	\$ (428)	\$ 74,946	\$ 137	\$ 2,317,263
Buildings	1,781,504	86,396	48,441	32,936	1,883,405
Improvements other than buildings	196,058	13,428	2,484	419	211,551
Furniture and equipment	1,492,729	(82,290)	239,057	195,461	1,454,035
Construction in progress	323,003	(37,375)	137,177	45,369	377,436
Library resources	19,408	35	1,378	314	20,507
Other fixed assets	277,784	145	995	3,892	275,032
Total	\$ 6,333,368	\$ (20,089)	\$ 504,478	\$ 278,528	\$ 6,539,229

## NOTE 7 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The Florida Retirement System (FRS) was created December 1, 1970, with consolidation of the Teachers' Retirement System (Chapter 238, F.S.), the State and County Officers and Employees' Retirement System (Chapter 122, F.S.) and the Highway Patrol Pension Fund (Chapter 321, F.S.). In 1972, the Judicial Retirement System (Chapter 123, F.S.) was also consolidated with the FRS. The FRS was created by Chapter 121, F.S., to provide a defined benefit pension plan for participating public employees. Provisions relating to the FRS are also contained in Chapter 112, F.S.

Except for elected State and county officers and members of the optional retirement programs, FRS membership is compulsory for all employees filling a regularly established position in a State agency, county agency, or district school board. Membership by elected State and county officers is optional. Participation by cities, municipalities and special districts, although optional, is generally irrevocable after election to participate is made.

There are five general classes of membership as follows:

*Regular Class* - This class consists of members of the FRS who do not qualify for membership in the other classes.

*Senior Management Service Class (SMSC)* - This class consists of members in senior management level positions in State and local governments.

*Special Risk Class* - This class consists of members who are employed as law enforcement officers, firefighters, or correctional officers and meet the criteria to qualify for this class.

*Special Risk Administrative Support Class* - This class consists of Special Risk Class members who are transferred or reassigned to nonspecial risk law enforcement, firefighting, or correctional administrative support positions within an FRS special risk employing agency.

*Elected State and County Officers' Class (ESCOC)* - This class consists of elected State, county and some city and special district officers.

The FRS provides vesting of benefits after ten years (eight years for ESCOC members, seven years for SMSC members) of creditable service. Members are eligible for normal retirement when they have met the requirements listed below. Early retirement may be taken any time after vesting; however, there is a 5% benefit reduction for each year prior to normal retirement age.

*Regular Members* - Ten or more years of creditable service and age 62. Thirty years of creditable service regardless of age.

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*Senior Management* - Seven years of SMSC service and age 62. Ten or more years of any creditable service and age 62. Thirty years of any creditable service regardless of age.

*Special Risk (Including Administrative Support Class)* - Ten or more years of Special Risk Class service and age 55. Twenty-five total years special risk service regardless of age. Thirty years of any creditable service regardless of age.

*Elected Officers* - Eight years of ESCOC service and age 62. Ten years of any creditable service and age 62. Thirty years of any creditable service regardless of age.

Benefits are computed on the basis of age, average final compensation and service credit. Members are also eligible for in-line-of-duty or regular disability and survivors' benefits. Pension benefits are increased each July 1 by a 3% cost-of-living adjustment.

The FRS is a cost-sharing multiple-employer public-employee defined benefit pension plan administered by the Division of Retirement. Costs of administering the FRS are funded through interest earned on investments made for the pension trust fund. Reporting of the FRS is on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the obligation is incurred.

Investments are reported at fair value. Short-term investments are reported at amortized cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of expected future principal and interest payments and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair value. No investment in any one organization represents 5% or more of the net assets available for pension benefits.

All participating employers must comply with statutory contribution requirements. Except in those instances where employees have elected to remain in pre-existing plans, employees make no contributions. Statutes require that the unfunded actuarial liability (UAL) be amortized within a 30-fiscal year period. The balance of legally required reserves for all defined benefit pension plans at June 30, 1998 is \$83,779,830,843. Of this amount, \$83,768,145,564 was attributable to the FRS and was reserved to provide for total current and future benefits, refunds, and administration of the FRS. Section 121.031(3), F.S., requires a biennial actuarial review of the FRS which is provided to the State Legislature as guidance in funding decisions. The conclusions of the review are included in the annual report of the FRS.

## FRS Retirement Contribution Rates:

Membership Class	Recommended for Fiscal Year 1997-98	7/1/97 Statutory Rates (Ch. 121, F.S.)
Regular	16.77%	16.77%
Senior Management	21.58%	21.58%
Special Risk	26.44%	26.44%
Special Risk Administration	17.20%	17.20%
Judges	29.55%	29.55%
Legislators/Attorneys/Cabinet	23.07%	23.07%
Elected County, City and Special District Officers	27.33%	27.33%

## FRS Participating Employers:

Employer Types	6/30/98
State Agencies	52
County Agencies	397
District School Boards	67
Community Colleges	28
Cities	110*
Special Districts	128*
Hospitals	4*
Other	13
Total Participating Employers	799

\*These totals include the 60 cities, 3 independent hospitals and 26 independent special districts that are closed to new FRS members as of January 1, 1996.

## FRS Membership:

Member Types	Regular	Senior Management	Special Risk	Special Risk Administrative	Elected State and County Officers	Total 6/30/98
Active						
Non-Vested	294,560	241	29,979	28	962	325,770
Vested	246,690	1,047	25,581	189	1,091	274,598
Current Retirees and Beneficiaries	153,423	324	9,014	78	1,190	164,029
Vested Terminated	37,063	103	2,155	11	487	39,819
Total Members	731,736	1,715	66,729	306	3,730	804,216

Schedules of Funding Progress and Employer Contributions are presented on page 178. Additional information about the FRS is contained in the various publications available from the Division of Retirement within the Department of Management Services.

### A. Other Postemployment Benefits

Section 112.0801, F.S., provides that retirees may participate in their former employers' group health insurance programs. In general, premiums are paid by the retiree.

The Retiree Health Insurance Subsidy (HIS) established by Section 112.363, F.S., is to assist retirees of most State-administered retirement systems in paying health insurance costs. For the fiscal year ended June 30, 1998, eligible retirees and beneficiaries received a monthly retiree health insurance subsidy payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$3. The payments were at least \$30 but not more than \$90 per month. To be eligible to receive the HIS, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

The HIS program is funded by required contributions from FRS participating employers. Employer contributions are a percentage of payroll for all active FRS employees and are added to the amount submitted for retirement contributions. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. Section 112.363, F.S., provides for increases in contribution rate and subsidy payments in the 1998-99 fiscal year. In the event contributions fail to provide subsidy benefits to all participants, the subsidy payments may be reduced or canceled. Additional information pertaining to the HIS is as follows:

	1996	1997	1998
HIS recipients as of 6/30	127,335	134,871	142,548
HIS contributions for FY ending 6/30	\$107,292,909	\$111,966,826	\$117,297,218
HIS payments for FY ending 6/30	\$94,267,313	\$100,511,133	\$106,688,003
HIS trust fund net assets at 6/30	\$35,913,093	\$49,065,272	\$62,144,173
HIS contribution rate as of 1/1	0.66%	0.66%	0.66%

### B. State of Florida Participation

The State of Florida contributed as required to the FRS as part of a cost-sharing multiple-employer defined benefit pension plan. For the fiscal year ended June 30, 1998, the State's total covered payroll for its 152,049 State employee members amounted to \$4,298,249,938 with actual and required employer contributions totaling \$844,396,647 or 19.65%. The State's contributions to the FRS for the years ending June 30, 1996 and June 30, 1997 were \$756,966,561 and \$779,139,574, respectively. These amounts were also equal to the required contributions for each year. Covered payroll refers to all compensation paid by the State to active employees covered by the FRS on which contributions to the defined benefit pension plan are based. The State's contributions represented 26.33% of the total contributions required of all participating employers.

Employees' eligibility and benefits are as previously described. Contributions are by class based on Chapter 121, F.S., as previously described. Employees not filling regular established positions but working under other personal services (OPS) status are not covered by the FRS.

## C. Optional Retirement Program (ORP)

Section 121.35, F.S., created the ORP for eligible State University System faculty and administrators. This program was designed to aid universities in recruiting employees who may not remain in the FRS long enough to vest. The ORP is a defined contribution plan which provides full and immediate vesting of all contributions paid on behalf of the participants to the participating provider companies to purchase contracts for retirement and death benefits. Employees in eligible positions are compulsory participants in the ORP unless they elect membership in the FRS.

The employing university contributes the same percentage of the participant's salary as would have been contributed to the FRS for Regular Class membership plus the HIS contribution, totaling 17.43% of covered payroll for July 1997 through June 1998. A portion (5.78%) of the total contribution is transferred to the FRS Trust Fund to help amortize the unfunded actuarial liability, .01% is for the administration of the program, and the remainder (11.64%) is paid to the provider companies designated by the participant. A participant may contribute by salary reduction an amount not to exceed the percentage contributed by the university for purchase of his or her annuity. Additional information pertaining to the ORP is as follows:

Members	9,427	
Payroll	\$491,831,763	
Contributions:		
Employee	\$ 24,130,246	4.91% of payroll
Employer	\$ 85,678,630	17.42% of payroll

## D. Senior Management Service Optional Annuity Program (SMSOAP)

An optional retirement program for members of the Senior Management Service Class was created by Section 121.055, F.S. The SMSOAP is a defined contribution plan which provides full and immediate vesting of all contributions paid on behalf of the participants to the participating provider companies to purchase contracts for retirement and death benefits. Employees in eligible positions may make an irrevocable election to participate in the SMSOAP in lieu of the Senior Management Service Class. Employers contribute the same percentage of the participant's salary as would have been contributed to the FRS for Senior Management Service Class membership plus the HIS contribution, totaling 22.24% of covered payroll for July 1997 through June 1998. A portion (8.73%) of the total contribution is transferred to the FRS Trust Fund to help amortize the unfunded actuarial liability and the remainder (13.51%) is paid to the provider companies designated by the participant. A participant may contribute by salary reduction an amount not to exceed the percentage contributed by the employer for purchase of his or her annuity. Additional information pertaining to the SMSOAP is as follows:

Members	78	
Payroll	\$ 6,493,470	
Contributions:		
Employee	\$ 38,351	.59% of payroll
Employer	\$ 1,455,639	22.42% of payroll

## **NOTE 8 - OTHER COMMITMENTS**

### A. Construction

Road and bridge construction projects supervised by the Department of Transportation are administered by the Department of Transportation work program, which is updated during each budget cycle. As of June 30, 1998, the Department has available approximately \$3.3 billion in budget authority arising from both current and prior year projects which represents amounts committed on executed contracts. Other major construction commitments of the State of Florida at June 30, 1998 are as follows (in thousands):

Agency	Total Estimated Cost at 6/30/98	Amount Expended Through 6/30/98	Estimated Amount Committed at 6/30/98
Game and Fresh Water Fish Commission	\$ 1,456	\$ 336	\$ 1,120
Department of Highway Safety and Motor Vehicles	1,704	1,299	405
Department of Military Affairs	1,734	379	1,355
Office of the State Courts Administrator	464	84	380
Department of Agriculture and Consumer Services	4,402	2,042	2,360
Department of Veterans' Affairs	11,181	3,236	7,945
Florida School for the Deaf and the Blind	11,276	6,992	4,284
Department of Children and Families	5,116	535	4,581
John and Mable Ringling Museum of Art	23,842	20,126	3,716
Department of Environmental Protection	30,834	29,296	1,538
Department of Management Services	40,569	21,475	19,094
Department of Health	44,733	14,549	30,184
Department of Juvenile Justice	173,866	37,426	136,440
Department of Corrections	297,144	189,670	107,474
State University System	956,048	570,092	385,956
Total	<u>\$ 1,604,369</u>	<u>\$ 897,537</u>	<u>\$ 706,832</u>

## B. Year 2000 (Unaudited)

The year 2000 issue is the result of the first two digits being eliminated from the year when computer programs were written. On January 1, 2000, the internal clock in computers and other equipment will roll over from "12/31/99" to "01/01/00." Unfortunately, many programs (if not corrected) will not be able to distinguish between the year 2000 and the year 1900. This may cause the programs to process data inaccurately or to stop processing data altogether. Another factor that may cause problems in programs is the leap-year calculation. Some programs are unable to detect the year 2000 as a leap year.

The State of Florida has been aggressively working on the year 2000 issue within State agency computer systems for several years. This effort has been led by the State's Year 2000 Task Force, a group comprised of both executive and legislative members. These actions are intended to ensure that critical State services remain available as Florida moves into the next century.

Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the State of Florida is or will be year 2000 ready, that the State's remediation efforts will be successful in whole or in part, or that parties with whom the State does business will be year 2000 ready.

The State of Florida has identified four hundred and ninety-two (492) computer systems that are mission-critical (that is, critical to conducting operations) and is subjecting those systems and equipment to the following stages of work to address year 2000 issues:

- ❑ Awareness stage - Establishing a budget and project plan for dealing with the year 2000 issue.
- ❑ Assessment stage - Identifying the systems and components for which year 2000 compliance work is needed.
- ❑ Remediation stage - Making changes to systems and equipment.
- ❑ Validation/testing stage - Validating and testing the changes that were made during the remediation stage.

In 1998 the Florida Legislature enacted Chapter 98-331, Laws of Florida, which addressed the following concerns related to the year 2000 issue:

- ❑ Applies Florida's existing sovereign immunity provisions to State and local government entities in the event of year 2000 date calculation failures, and
- ❑ Grants the Governor the power to transfer resources to address a year 2000 date failure in an agency.

Florida has dedicated \$81 million in existing agency budgets and in specific appropriations since 1996 for the remediation of the 492 agency developed mission-critical computer systems. Legislative appropriations have been made to address unanticipated remediation and testing issues in applications and systems, and for systems in which embedded chip technology could introduce errors.

Florida has completed the awareness stage for all of its mission-critical systems and electronic equipment. The Year 2000 Task Force has completed the assessment stage by conducting an agency by agency-wide inventory (primary government) and identifying 492 agency developed mission-critical computer systems that needed year 2000 remediation. All of the mission-critical systems were prioritized, based on the number of citizens affected, failure date, and cost to renovate. Sixteen systems that are most critical to operations of the State were identified as top priority systems. The Year 2000 Task Force established a progress reporting process to monitor remediation in all affected agencies, with special emphasis on the 16 top priority systems. A Year 2000 Progress Report is issued on a monthly basis on both a Statewide Aggregate Progress Plan and a Top Priority Systems Progress Plan. As of June 30, 1998, the 492 agency developed mission-critical systems were 100% completed with the awareness stage, 93% with the assessment stage, 69% with the remediation stage, and 41% with the validation/testing stage. The 16 top priority mission-critical systems were 100% completed with the awareness stage, 97% with the assessment stage, 60% with the remediation stage, and 33.5% with the validation/testing stage.

A significant commitment of resources are required to make year 2000 compliance changes or updates to the State's computer systems and other equipment. As of June 30, 1998, Florida had \$19.8 million dollars of resources committed (contracted amounts at the end of the government's reporting period) to make their systems and other equipment year 2000-compliant.

In addition to the 492 mission-critical systems discussed above, significant State agency computer systems exist which are vendor supplied and maintained. These systems are proprietary in nature, and the program code is not available to the State for year 2000 remediation purposes. State agencies' legal staff are seeking vendor supplied Year 2000 compliance and certification statements for these products. Since these remediation efforts are external to the State, their year 2000 compliance efforts are not fully determinable until the year 2000 and thereafter.

## NOTE 9 - BONDS PAYABLE

### A. Bonds Payable

Bonds payable at June 30, 1998, are as follows (in thousands):

Bond Type	Amount Outstanding	Interest Rates	Annual Maturity To
<b>GENERAL LONG-TERM DEBT ACCOUNT GROUP:</b>			
Road and Bridge Bonds	\$ 1,167,910	4.000-6.875	2027
SBE Capital Outlay Bonds	903,335	4.000-6.625	2018
Inland Protection Bonds	233,035	4.250-5.000	2004
Lottery Education Bonds	115,390	4.000-5.125	2018
Public Education Bonds	6,405,920	4.400-9.125	2027
Conservation and Recreation Lands Bonds	28,835	4.500-5.375	2012
Save Our Coast Bonds	219,335	4.300-6.750	2012
Preservation 2000 Bonds	2,122,840	4.000-6.400	2013
Pollution Control Bonds	57,215	4.500-7.500	2014
	<u>11,253,815</u>		
<b>ENTERPRISE FUNDS:</b>			
Toll Facilities Bonds	1,741,437	4.250-10.000	2027
Less Payable from Restricted Assets	<u>27,190</u>		
	<u>1,714,247</u>		
<b>INTERNAL SERVICE FUND:</b>			
Florida Facilities Pool Bonds	<u>320,023</u>	4.000-7.100	2027
<b>STATE UNIVERSITY SYSTEM:</b>			
State University System Bonds	<u>367,870</u>	3.000-7.000	2027
<b>TOTAL BONDS PAYABLE</b>	<u><u>\$ 13,655,955</u></u>		

*Road and Bridge* (serial and term) *Bonds* are secured by a pledge of a portion of the State-assessed motor fuel tax revenues, discretionary sales tax levied by the City of Jacksonville, and by a pledge of the full faith and credit of the State.

*State Board of Education (SBE) Capital Outlay Bonds* are issued to finance capital outlay projects of school districts and community colleges. The bonds mature serially and are secured by a pledge of a portion of the State-assessed motor vehicle license tax and by a pledge of the full faith and credit of the State.

*Inland Protection Bonds* are issued by the Inland Protection Financing Corporation (a blended component unit) to finance the payment and settlement of existing reimbursement obligations of the Department of Environmental Protection for the cleanup of contamination from leaking petroleum storage tanks. The bonds mature serially and are secured by a pledge of revenues under a service contract with the Department of Environmental Protection.

*Lottery Education Bonds* are issued to finance all or a portion of the costs of various local school district educational facilities. The bonds mature serially and are secured by a pledge of a portion of the lottery revenues transferred to the Educational Enhancement Trust Fund.

*Public Education Bonds* are issued to finance capital outlay projects of local school districts, community colleges, vocational technical schools and the State University System. The bonds, serial and term, are secured by a pledge of the State's gross receipts tax revenues and by a pledge of the full faith and credit of the State.

*Conservation and Recreation Lands Bonds* are issued to acquire lands, water areas, and related resources. The bonds mature serially and are primarily secured by a pledge of the documentary stamp tax.

*Save Our Coast Bonds* are used to finance the purchase of environmentally significant coastal property. The bonds mature serially and are secured by a pledge of State Land Acquisition Trust Fund collections (primarily documentary stamp taxes).



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*Preservation 2000 Bonds* are issued to pay the cost of acquiring lands and related resources in furtherance of outdoor recreation and natural resources conservation. The bonds mature serially and are secured by a pledge of a portion of the documentary stamp tax.

*Pollution Control Bonds* are issued to make funds available for local government acquisition and construction of pollution control facilities. The bonds are to be serviced by revenues pledged by the local governments and the full faith and credit of the State is pledged as additional security. The bonds mature serially. This amount includes \$50,745,000 that has been escrowed by local governments.

*Toll Facilities Bonds* are issued to provide construction funds for roads and bridges. The bonds are secured by a pledge of toll facility revenues and a portion of the State-assessed gasoline taxes. In addition, the full faith and credit of the State is pledged to service \$168,775,000 of the bonds outstanding. The bonds outstanding at June 30, 1998 consist of \$1,093,565,000 of serial bonds and \$697,880,000 of term bonds. The amount reported is net of \$32,379,362 unamortized discount and \$17,628,820 unamortized amount deferred on refunding.

*Florida Facilities Pool Bonds* are issued to provide funds for the acquisition and construction of facilities to be leased to State agencies. The bonds, serial and term, are secured by a pledge of the revenues derived from the leasing and operations of these facilities. The amount reported is net of \$3,558,174 unamortized discount and \$3,909,270 of unamortized amount deferred on refunding.

*State University System Bonds* and revenue certificates are issued to construct university facilities, including parking garages and student housing. Bonds and revenue certificates outstanding, which include both term and serial bonds, are secured by a pledge of rental revenues, traffic and parking revenues and student fee assessments. The amount reported is net of \$3,722,247 unamortized discount.

## **B. Advanced Refundings and Defeased**

During the fiscal year ended June 30, 1998, the State of Florida took advantage of favorable conditions and issued bonds for the purpose of advance refunding previously issued bonds. The advance refunding of these bond series was made in order to obtain lower interest rates and the resulting savings in debt service payments over the life of the bond. The economic gains obtained by these advance refundings are the differences between the present value of old debt service requirements and the new debt service.

The proceeds of the refundings, and in some cases additional funds, were deposited into irrevocable trusts and invested in direct obligations of the Federal government and/or obligations guaranteed by the Federal government. The funds deposited along with the interest to be earned will be sufficient to meet the future principal and interest payments on the refunded bonds as they come due.

Bonds defeased through the consummation of refunding transactions are not included in Florida's outstanding debt. Irrevocable escrow accounts held by the State Board of Administration (SBA) to service the refunded bonds are reported as agency funds. The following advance refundings occurred during the fiscal year:

### **General Long-Term Debt Account Group:**

The State of Florida, Department of Environmental Protection, Preservation 2000 Revenue Refunding Bonds, Series 1998A, in the amount of \$200,020,000, along with other available funds, were used to advance refund \$201,600,000 of the outstanding bonds of the originally issued \$300,000,000 State of Florida, Department of Natural Resources, Preservation 2000 Revenue Bonds, Series 1992A. This refunding resulted in debt service savings of \$20,075,827 and an economic gain of \$14,277,379.

The State of Florida, Department of Environmental Protection, Preservation 2000 Revenue Refunding Bonds, Series 1997B, in the amount of \$202,595,000, along with other available funds, were used to advance refund \$199,700,000 of the outstanding bonds of the originally issued \$300,000,000 State of Florida, Department of Natural Resources, Preservation 2000 Revenue Bonds, Series 1991A. This refunding resulted in debt service savings of \$22,365,639 and an economic gain of \$15,216,229.

### **Enterprise Fund:**

The State of Florida, Department of Transportation, Turnpike Revenue Refunding Bonds, Series 1997A, in the amount of \$199,690,000, along with other available funds, were used to advance refund \$4,655,000 of the outstanding bonds of the originally issued \$219,997,419 State of Florida, Department of Transportation, Turnpike Revenue Bonds, Series 1989A; \$99,410,000 of the outstanding bonds of the originally issued



\$336,895,000, State of Florida, Department of Transportation, Turnpike Revenue Bonds, Series 1991A; and \$84,300,000 of the outstanding bonds of the \$193,300,000 State of Florida, Department of Transportation, Turnpike Revenue Bonds, Series 1992A. This refunding resulted in debt service savings of \$25,490,677, an economic gain of \$15,015,200, and a deferred amount upon refunding of \$18,481,665.

## **State University System:**

The State of Florida, Board of Regents, University System Improvement Revenue Refunding Bonds, Series 1997A, in the amount of \$45,685,000, were used to advance refund \$41,235,000 of the outstanding bonds of the originally issued \$55,000,000 State of Florida, Board of Regents, University System Improvement Revenue Certificates, Series 1991. This refunding resulted in debt service savings of \$5,789,302 and an economic gain of \$3,847,290.

The following bond issues were considered to have been defeased during the year:

## **Enterprise Fund:**

State of Florida, Full Faith and Credit, Hillsborough County Expressway Bonds (Series 1971 and 1978) \$107,070,000

## **General Long-Term Debt Account Group:**

State of Florida, Full Faith and Credit, Pollution Control Bonds (Series W and Y) \$ 81,950,000

State of Florida, Full Faith and Credit, Hernando County Road Bonds (December 1, 1979) \$ 2,815,000

## **C. Prior-year Defeased Bonds**

In prior years, the State has deposited with escrow agents in irrevocable trusts amounts sufficient to meet the debt service requirements of certain bonds. These defeased bonds are not reported as outstanding debt. Irrevocable trusts established with the State Board of Administration are reported in an agency fund. Debt considered defeased consists of the following (in thousands):

	<b>Principal at 6/30/98</b>
<i>General Long-Term Debt:</i>	
SBE Higher Education Bonds	\$ 114,465
Pollution Control Bonds	144,420
Public Education Capital Outlay Bonds	1,608,825
Road and Bridge Bonds	154,785
<i>Enterprise Funds:</i>	
Toll Facilities Bonds	\$ 676,810
<i>Internal Service Funds:</i>	
Florida Facilities Pool Bonds	\$ 97,700
<i>State University System Bonds</i>	\$ 4,435

## D. Annual Requirements for Debt Service

The annual requirements to amortize bonds and certificates of participation payable at June 30, 1998 are as follows (in thousands):

Fiscal Year Ending 6/30	General Long-Term Debt	Enterprise Funds	Internal Service Funds	State University System	Component Units	Certificates of Participation
1999	\$ 965,814	\$ 126,896	\$ 24,461	\$ 31,791	\$ 137,514	\$ 4,164
2000	964,903	133,210	24,982	32,000	130,849	3,853
2001	962,882	135,322	24,914	31,977	127,365	3,830
2002	961,386	140,997	24,906	31,653	128,256	3,833
2003	958,429	140,717	24,846	31,387	133,349	3,835
Later years	14,901,311	2,619,000	441,951	459,404	2,838,495	57,051
Less restricted	.....	27,190	.....	.....	.....	.....
Total Debt	19,714,725	3,268,952	566,060	618,212	3,495,828	76,566
Less unamortized	.....	50,008	7,467	3,722	102,500	.....
Less interest	8,460,910	1,504,697	238,570	246,620	1,462,766	27,816
Principal	\$ 11,253,815	\$ 1,714,247	\$ 320,023	\$ 367,870	\$ 1,930,562	\$ 48,750

### NOTE 10 - RESTRICTED ASSETS AND LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Mandatory asset segregation required by bond indentures is presented in various enterprise funds as restricted assets. Restricted assets are composed of cash and investments in those funds with outstanding bonds. Current bonds payable and accrued interest payable in these funds are classified as payable from restricted assets. The amounts are as follows (in thousands):

#### RESTRICTED ASSETS:

Cash	\$ 6
Pooled investments with the State Treasury	395,327
Investments	73,489
Total	<u>\$ 468,822</u>

#### LIABILITIES PAYABLE FROM RESTRICTED ASSETS:

Current bonds payable	\$ 27,190
Accrued interest payable	1,663
Total	<u>\$ 28,853</u>

## NOTE 11 - INSTALLMENT PURCHASE CONTRACTS AND CAPITAL LEASES PAYABLE

Florida has a number of installment purchase contracts and capital leases providing for the acquisition of machinery, equipment, and buildings. The following is a schedule of future minimum payments remaining under the contracts at June 30, 1998 (in thousands):

Fiscal Year Ended 6/30	General Long-Term Debt	Proprietary Fund Types	State University System	Component Units	Total
1999	\$ 6,846	\$ 7,910	\$ 747	\$ 7,073	\$ 22,576
2000	7,125	9,543	747	6,062	23,477
2001	6,646	8,884	461	4,334	20,325
2002	6,213	8,581	369	3,510	18,673
2003	6,020	8,143	120	2,581	16,864
Later Years	69,505	106,190	2,100	35,868	213,663
Total minimum payments	102,355	149,251	4,544	59,428	315,578
Less interest	38,172	50,534	1,524	21,127	111,357
Present value of payments	\$ 64,183	\$ 98,717	\$ 3,020	\$ 38,301	\$ 204,221
Installment purchases	\$ 3,058	\$ 3,667	\$ 1,775	\$ 4,552	\$ 13,052
Capital leases	61,125	95,050	1,245	33,749	191,169
Total	\$ 64,183	\$ 98,717	\$ 3,020	\$ 38,301	\$ 204,221

## NOTE 12 - CHANGES IN GENERAL LONG-TERM DEBT AND COMPONENT UNIT LONG-TERM DEBT

Changes during the fiscal year in general long-term debt and component unit long-term debt are summarized below (in thousands):

	Balance 7/1/97	Adjustments	Additions	Deletions	Balance 6/30/98
<b>PRIMARY GOVERNMENT</b>					
Bonds payable:					
Road and Bridge	\$ 749,850	\$ .....	\$ 445,690	\$ 27,630	\$ 1,167,910
State School	626,095	.....	301,705	24,465	903,335
Public Education	6,081,655	.....	450,000	125,735	6,405,920
Conservation Act	31,590	.....	.....	2,755	28,835
Preservation 2000	1,905,610	.....	702,615	485,385	2,122,840
Save Our Coast	232,260	.....	.....	12,925	219,335
Pollution Control	144,885	.....	.....	87,670	57,215
Inland Protection	.....	.....	253,335	20,300	233,035
Lottery Education	.....	.....	115,390	.....	115,390
Compensated absences	577,587	.....	75,153	32,305	620,435
Certificates of participation	1,850	.....	.....	1,695	155
Installment-purchase contracts and capital leases payable	68,169	897	1,537	6,420	64,183
Due to other governments:					
Florida Canal Authority	9,088	.....	.....	5,000	4,088
Federal arbitrage liability	5,051	.....	11,900	311	16,640
Other long-term liabilities:					
Petroleum Clean-Up liability	380,479	.....	.....	374,720	5,759
Other	2,287	.....	.....	1,312	975
Total Primary Government	\$ 10,816,456	\$ 897	\$ 2,357,325	\$ 1,208,628	\$ 11,966,050
<b>COMPONENT UNITS</b>					
Bonds payable	\$ 1,562,327	\$ 6,827	\$ 455,300	\$ 93,892	\$ 1,930,562
Compensated absences	140,357	(843)	6,060	571	145,003
Other	282,418	(9,330)	41,431	112,132	202,387
Total Component Units	\$ 1,985,102	\$ (3,346)	\$ 502,791	\$ 206,595	\$ 2,277,952

## NOTE 13 - OPERATING LEASES

Florida has long-term commitments for assets leased under operating leases. These assets are not recorded on the combined balance sheet and operating lease payments are recorded as expenditures or expenses of the related funds when paid or incurred. Future minimum lease commitments for noncancelable operating leases as of June 30, 1998 are as follows (in thousands):

Fiscal Year Ending 6/30	Primary Government Operating Lease Commitments	Component Units Operating Lease Commitments	Entity Total
1999	\$ 154,978	\$ 12,788	\$ 167,766
2000	138,264	11,205	149,469
2001	115,498	9,610	125,108
2002	94,431	8,150	102,581
2003	72,447	4,973	77,420
Later Years	249,259	28,605	277,864
Total	\$ 824,877	\$ 75,331	\$ 900,208

Total primary government operating lease commitments consisted of \$7,861,718 for machinery and equipment and \$817,015,610 for land and buildings. Total operating lease commitments for component units consisted of \$23,608,862 for machinery and equipment and \$51,722,542 for land and buildings.

## NOTE 14 - INTERFUND RECEIVABLES AND PAYABLES

During the course of operations, there are numerous transactions between funds. At June 30, 1998, amounts to be received or paid with current available resources are reported as due from or due to other funds, whereas the noncurrent portion is reported as advances to or advances from other funds. Receivable and payable balances of various state agencies at June 30, 1998 are as follows (in thousands):

	Interfund Receivables		Interfund Payables	
	Due From Other Funds	Advances To Other Funds	Due To Other Funds	Advances From Other Funds
<b>General Fund</b>	<b>\$246,860</b>	<b>\$16,367</b>	<b>\$347,078</b>	<b>\$ .....</b>
<b>Special Revenue Funds</b>				
Department of Revenue	90,825	.....	424,647	7
Department of Transportation	315,668	107,906	28,993	10,000
Department of Education	50,256	.....	274,778	.....
Other	238,356	6,116	213,549	20,113
<b>Total Special Revenue Funds</b>	<b>695,105</b>	<b>114,022</b>	<b>941,967</b>	<b>30,120</b>
<b>Capital Projects Funds</b>				
Department of Corrections	74,713	.....	.....	.....
Department of Juvenile Justice	36,313	.....	116	.....
Department of Transportation	3,847	21,930	70	.....
Other	38,593	.....	737	.....
<b>Total Capital Projects Funds</b>	<b>153,466</b>	<b>21,930</b>	<b>923</b>	<b>.....</b>
<b>Debt Service Fund</b>	<b>2,647</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>
<b>Enterprise Funds</b>				
Department of Transportation	54,145	67,962	21,058	184,398
Other	2,157	.....	52,093	.....
<b>Total Enterprise Funds</b>	<b>56,302</b>	<b>67,962</b>	<b>73,151</b>	<b>184,398</b>
<b>Internal Service Funds</b>				
Department of Management Services	8,595	.....	26,161	2,003
Other	9,753	.....	1,813	.....
<b>Total Internal Service Funds</b>	<b>18,348</b>	<b>.....</b>	<b>27,974</b>	<b>2,003</b>
<b>Trust and Agency Funds</b>				
<b>Expendable Trust Funds</b>				
Department of Labor and Employment Security	42,836	.....	48,966	.....
Other	2,733	.....	2,199	.....
<b>Nonexpendable Trust Fund</b>				
Department of State	.....	.....	787	.....
<b>Pension Trust Fund</b>	<b>97,888</b>	<b>.....</b>	<b>3,996</b>	<b>.....</b>
<b>Investment Trust Funds</b>	<b>2,482</b>	<b>.....</b>	<b>188</b>	<b>.....</b>
<b>Agency Funds</b>				
Department of Insurance	.....	.....	230,104	.....
Department of Banking and Finance	6	.....	90,109	.....
Department of Revenue	53,070	.....	26,531	.....
Other	25,542	.....	14,720	2,352
<b>Total Trust and Agency Funds</b>	<b>224,557</b>	<b>.....</b>	<b>417,600</b>	<b>2,352</b>
<b>State University System Funds</b>	<b>641,081</b>	<b>.....</b>	<b>229,673</b>	<b>1,408</b>
<b>Total Interfund Receivables and Payables</b>	<b>\$ 2,038,366</b>	<b>\$ 220,281</b>	<b>\$ 2,038,366</b>	<b>\$ 220,281</b>
<b>Total for Component Units</b>	<b>\$ 36,306</b>	<b>\$ .....</b>	<b>\$ 36,306</b>	<b>\$ .....</b>

## NOTE 15 - RISK MANAGEMENT

### A. Property Self-Insurance Fund

The State Property Insurance Trust Fund, an internal service fund, insures State buildings and contents against loss from fire, lightning, sinkholes, flood, and other hazards customarily insured by extended coverage and loss from the removal of personal property from such properties when endangered by covered perils. The Fund provides coverage up to \$2 million per loss occurrence subject to an annual aggregate of \$5 million, except for losses due to flood. Commercial insurance for losses in excess of coverage provided by the Fund is purchased up to \$200 million per loss event, except losses due to flood. The Fund self-insures up to \$250,000 coverage per State-owned single family residence and \$500,000 coverage per State-owned building for loss or damage due to flood and up to \$100,000 and \$500,000, respectively, for contents thereof.

The Fund's estimated liability for unpaid claims at fiscal year-end is determined by management analyses. Changes in the Fund's claims liability amount in fiscal years ended June 30, 1997 and June 30, 1998, were as follows (in thousands):

<u>Fiscal Year-Ended</u>	<u>Beginning-of-Fiscal-Year Liability</u>	<u>Current-Year Claims and Changes in Estimate</u>	<u>Claim Payments</u>	<u>Other</u>	<u>Balance at Fiscal Year-End</u>
June 30, 1997	\$ 4,479	\$ 261	\$ (980)	\$ .....	\$ 3,760
June 30, 1998	\$ 3,760	\$ (691)	\$ (898)	\$ .....	\$ 2,171

### B. Casualty Self-Insurance Fund

The Florida Casualty Insurance Risk Management Trust Fund, an internal service fund, provides insurance for the risks of loss related to Federal civil rights actions, workers' compensation, court awarded attorney fees, automobile liability, and general liability. It is the policy of the State to retain these risks of losses rather than purchasing commercial insurance.

The estimated liability for unpaid claims at June 30, 1998, was \$585 million. This amount was determined through an actuarial method based on historical paid and incurred losses and includes an amount for losses incurred but not yet reported. In addition, this amount includes the present value of workers' compensation indemnity reserves discounted using a four percent annual percentage rate.

Changes in the Fund's claims liability amount for fiscal years ended June 30, 1997 and June 30, 1998, were as follows (in thousands):

<u>Fiscal Year-Ended</u>	<u>Beginning-of-Fiscal-Year Liability</u>	<u>Current-Year Claims and Changes in Estimate</u>	<u>Claim Payments</u>	<u>Other</u>	<u>Balance at Fiscal Year-End</u>
June 30, 1997	\$ 451,033	\$ 182,058	\$ (83,101)	\$ .....	\$ 549,990
June 30, 1998	\$ 549,990	\$ 114,287	\$ (78,792)	\$ .....	\$ 585,485

### C. Medical Professional Liability Self-Insurance Program

The Medical Professional Liability Self-Insurance Program provides dental, medical, and veterinary medical professional liability, comprehensive general liability, hospital professional liability, and patient's property liability covering faculty, staff, and students engaged in dental, medical, and veterinary medical programs at the

University of Florida, J. Hillis Miller Health Center (JHMHC), the JHMHC at Jacksonville, and the University of South Florida. The funds are reported with the State University System current funds.

The Program's retained risks range from payments on tort claims limited to \$100,000 per claim and \$200,000 per occurrence to \$2 million per occurrence for professional liability up to an aggregate of \$6.5 million for all payments made on claims arising during the fiscal year for the University of Florida JHMHC, up to \$3 million for the University of South Florida and up to \$6.5 million for the JHMHC at Jacksonville. Losses in excess of these individual and aggregate amounts, up to \$50 million, are insured commercially. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The Medical Professional Liability Self-Insurance Program's estimated liability for unpaid claims at fiscal year-end is the result of both management and actuarial analyses and includes an amount for claims that have been incurred but not reported. The Program purchases annuity contracts from commercial insurers to satisfy certain liabilities; accordingly, no liability is reported for those claims. At June 30, 1998, none of those covered liabilities were still outstanding. Changes in the Program's claim liability amount in fiscal years ended June 30, 1997 and June 30, 1998, were as follows (in thousands):

<u>Fiscal Year-Ended</u>	<u>Beginning-of-Fiscal-Year Liability</u>	<u>Current-Year Claims and Changes in Estimate</u>	<u>Claim Payments</u>	<u>Other</u>	<u>Balance at Fiscal Year-End</u>
June 30, 1997	\$ 34,401	\$ 6,239	\$ (6,386)	\$ .....	\$ 34,254
June 30, 1998	\$ 34,254	\$ 10,465	\$ (6,010)	\$ .....	\$ 38,709

#### **D. Employees Health Insurance Fund**

Employees may obtain health care services through participation in the State's group health insurance plan or through membership in a health maintenance organization plan under contract with the State. The State's risk financing activities associated with State group health insurance, such as the risks of loss related to medical and prescription drug claims, are administered through the State Employees Group Health Insurance Trust Fund, an internal service fund. It is the practice of the State not to purchase commercial coverage for the risks of losses covered by this Fund.

The Fund's estimated fiscal year-end liability includes an amount for claims that have been incurred but not reported, which is based on analyses of historical data performed by both the State and its contractors. Changes in claim liability amounts for fiscal years ended June 30, 1997 and June 30, 1998, were as follows (in thousands):

<u>Fiscal Year-Ended</u>	<u>Beginning-of-Fiscal-Year Liability</u>	<u>Current-Year Claims and Changes in Estimate</u>	<u>Claim Payments</u>	<u>Other</u>	<u>Balance at Fiscal Year-End</u>
June 30, 1997	\$ 65,000	\$ 387,255	\$ (383,755)	\$ .....	\$ 68,500
June 30, 1998	\$ 68,500	\$ 363,324	\$ (383,023)	\$ .....	\$ 48,801

## NOTE 16 - PRIOR PERIOD ADJUSTMENTS

Fund balances and retained earnings at July 1, 1997 have been increased/(decreased) as follows (in thousands):

### GENERAL FUND

To record the cumulative effect of an overstatement of tax revenues for the prior two years. <i>Department of Revenue</i>	\$ (25,049)
To correct the overstatement of accounts payable for impact fee refunds. <i>Department of Highway Safety and Motor Vehicles</i>	\$ 1,490
To record the cumulative effect of the implementation of GASB Statement No. 31. <i>Various agencies</i>	\$ 22,781

### SPECIAL REVENUE FUNDS

To record the cumulative effect of the implementation of GASB Statement No. 31. <i>Various agencies</i>	\$ 16,736
To adjust a prior year accrual. <i>Department of Children and Families</i>	\$ (2,095)
To record an advance received in the prior year but not recorded; to record the cumulative effect of incorrectly recording revenue from long-term receivables. <i>Department of Environmental Protection</i>	\$ (32,107)

### CAPITAL PROJECTS FUNDS

To record the cumulative effect of the implementation of GASB Statement No. 31. <i>Various agencies</i>	\$ 38
To record advances made in prior years to the Florida Turnpike System (Enterprise Fund). <i>Department of Transportation</i>	\$ 3,589

### DEBT SERVICE FUND

To record the cumulative effect of the implementation of GASB Statement No. 31. <i>State Board of Administration</i>	\$ 1,470
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### ENTERPRISE FUNDS

To record the cumulative effect of the implementation of GASB Statement No. 31. <i>Various agencies</i>	\$ 99,302
To record the adjustments for inventory and equipment of the Business Enterprises Vending Facilities. <i>Department of Labor and Employment Security</i>	\$ (5,327)

### INTERNAL SERVICE FUNDS

To record the cumulative effect of the implementation of GASB Statement No. 31. <i>Various agencies</i>	\$ 499
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### FIDUCIARY FUNDS

To record the cumulative effect of the implementation of GASB Statement No. 31 in the Expendable Trust Funds (\$10,570); Non-Expendable Trust Fund (\$10); Pension Fund (\$9); Defined Benefit Pension Fund (\$2); and Investment Trust Funds (\$8,605,282). <i>Various agencies</i>	\$ 8,615,873
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### STATE UNIVERSITY SYSTEM

<b>Endowment Fund:</b> To record the cumulative effect of the implementation of GASB Statement No. 31. <i>Board of Regents</i>	\$ 3,184
<b>Retirement of Indebtedness Fund:</b> To record the cumulative effect of the implementation of GASB Statement No. 31. <i>Florida International University</i>	\$ 924
<b>Unexpended Plant Fund:</b> To correct prior period errors related to reporting liabilities associated with bonded debt. <i>University of South Florida</i>	\$ 11,342



## Investment in Plant Fund:

To correct prior period errors related to reporting liabilities associated with bonded debt.  
University of South Florida

\$ (11,342)

## COMPONENT UNITS

### Governmental Fund Types

To record the cumulative effect of the implementation of SFAS Nos. 116, 117, and 124; the implementation of GASB Statement No. 31; the correction of recording errors, and the effect of the transfer of the DSOs equity to the Community Colleges. In prior years the DSOs were presented as component units of the State rather than component units of the Community Colleges.  
Community Colleges

\$ 206,075

To record the effect of the transfer of the Community College's DSOs equity to the Community Colleges.  
Other Component Units

\$ (173,042)

To record the cumulative effect of the implementation of SFAS Nos. 116 and 124 and GASB Statement No. 31, inclusion of certain investments previously excluded, change in recognition of revenue to match expenses, writeoff of accounts payable, and inclusion of a new component unit.  
State University System Direct Support Organizations

\$ 1,311

To record the cumulative effect of the implementation of GASB Statement No. 31.  
Department of Transportation

\$ (1,088)

### Proprietary Fund Types

To record the cumulative effect of the implementation of GASB Statement No. 31.  
Department of Transportation

\$ (1,380)

## NOTE 17 - GUARANTEES OF INDEBTEDNESS OF OTHERS

The Federal Family Education Loans Program administered by the Florida Department of Education (FDOE) guarantees loans made to eligible students and their parents by financial institutions. At June 30, 1998, \$4,952,218,107 of loans were guaranteed under this Program. The United States Department of Education (USDOE) participates in the Program as a reinsurer and reimburses the FDOE for defaulted loans at various rates based on the incidence of default. For loans made prior to October 1, 1993, the reimbursement rate for defaulted loans can be 80, 90, or 100 percent. For loans made on or after October 1, 1993, the reimbursement rate for defaulted loans can be 78, 88, or 98 percent. During the 1997-98 fiscal year, the actual rates were 98 and 100 percent. A potential liability exists for loans defaulted in excess of the Federal reimbursement. The specific amount of this potential liability is indeterminable.

Title 20, Section 1072(h)(1), United States Code (Code) requires the USDOE Secretary to recall \$1 billion from the reserve funds held by guaranty agencies on September 1, 2002. For purposes of funding this recall, the Code establishes a method for determining each guaranty agency's "required share" of recalled reserve funds. In addition, the Code states that within 90 days after the beginning of each of the fiscal years 1998 through 2002, each guaranty agency shall transfer a portion of the agency's required share to a restricted account established by the agency that is of a type selected by the agency with the approval of the Secretary. The FDOE is required to and has for fiscal year 1997-98 transferred \$9,809,184 (first of five equal installments) to a designated account. This amount is included in Other Reserves of Fund Balance in the Special Revenue Funds.

## NOTE 18 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

Segment information for the enterprise funds for the fiscal year ended June 30, 1998 is as follows (in thousands):

	Department of Lottery	Department of Transportation	Other	Total
Operating revenue	\$ 2,057,372	\$ 334,520	\$ 99,725	\$ 2,491,617
Depreciation	3,003	5,331	1,073	9,407
Operating income (loss)	792,180	219,667	55,637	1,067,484
Transfers in	86	1,231,901	91,226	1,323,213
Transfers out	802,346	1,215,845	407,910	2,426,101
Net income (loss)	116,329	175,577	(326,906)	(35,000)
Current Capital Contributions	.....	1,370	.....	1,370
Property plant and equipment:				
Additions	2,031	305,616	1,655	309,302
Deletions	6,671	191,670	11,269	209,610
Net working capital	4,784	229,231	24,770	258,785
Total assets	3,403,001	4,062,362	35,837	7,501,200
Long-term debt	2,021,170	1,929,925	23	3,951,118
Total equity	227,241	2,038,563	30,811	2,296,615

1. The Department of Lottery accounts for the operation of Florida's lottery.
2. The Department of Transportation accounts for the construction, operations, and maintenance of toll and turnpike facilities. Transfers include \$12,396,757 of gas tax collected by the Department of Revenue.
3. Other includes the Departments of Children and Families, Corrections, Juvenile Justice, Labor and Employment Security, Health, Military Affairs, State, and Florida Housing Finance Agency.
4. The Florida Housing Finance Agency, accounted for within the Department of Community Affairs, was discretely disclosed in the prior fiscal year. Chapter 97-167, Section 7, Laws of Florida, changed the agency into a public corporation (Florida Housing Finance Corporation) which is a component unit and no longer reported as an agency of the State. The transfer of assets and liabilities from the agency to the corporation was effective January 1, 1998. The operating activities of the agency from July 1, 1997, through December 31, 1997, are included within the "Other" column.

## NOTE 19 - PREPAID POSTSECONDARY EDUCATION EXPENSE PROGRAM

The Prepaid Postsecondary Education Expense Program was created in 1987 by Section 240.551, F.S., to provide a medium through which the cost of registration and dormitory residence may be paid in advance of enrollment in a State postsecondary institution at a rate lower than the projected corresponding cost at the time of actual enrollment. The Program is administered by the Florida Prepaid Postsecondary Education Expense Board and the State of Florida guarantees to meet the obligations of the Program to qualified beneficiaries if moneys in the Program are insufficient. The Program is accounted for in an expendable trust fund. An actuarial study is performed to determine the Program's funding status. Additional information as of June 30, 1998 is as follows:

Actuarial present value of future benefits payable	\$2,212,485,422
Net assets available (Fair Value)	\$2,463,019,677
Net assets as a percentage of tuition and housing benefits obligation	111 percent

## **NOTE 20 - FLORIDA HURRICANE CATASTROPHE FUND**

The Florida Hurricane Catastrophe Fund (FHCF) was created in 1993, by Section 215.555, F.S., as a State trust fund to provide reimbursement to qualified insurers for a portion of their catastrophic hurricane losses; thereby creating additional insurance capacity to ensure that covered structures (and their contents) damaged or destroyed in a hurricane may be repaired or reconstructed as soon as possible. The Fund is administered by the State Board of Administration which contracts with each insurer writing covered policies in the State to reimburse the insurer for a percentage of losses incurred from covered events from reimbursement premiums collected. However, payments made to insurers shall not exceed the moneys in the Fund, together with the maximum amount of revenue bonds that may be issued by a county or municipality. The Fund is accounted for as an expendable trust fund. An actuarially determined formula is used to calculate the reimbursement premium collected. Additional information as of June 30, 1998, follows:

Net assets available to meet future catastrophic losses	\$ 2,181,606,523
Catastrophic losses incurred during the fiscal year (related to prior years' hurricane seasons)	\$ 2,219,245
Catastrophic losses paid during the fiscal year	\$ 2,642,714

Subsequent to fiscal year-end, there were some reported residential property losses by qualified insurers within the State of Florida for the 1998 hurricane season. The FHCF will determine its liability to reimburse insurers after the end of the hurricane season on November 30, 1998.

## **NOTE 21 - OTHER LOSS CONTINGENCIES**

Florida participates in a number of federally-assisted grant programs. These programs are subject to audits by the grantors or their representatives. Any disallowance as a result of these audits may become a liability of the State. Any foreseeable disallowances will not have a material adverse effect on the State of Florida's financial position.

## **NOTE 22 - LITIGATION**

Due to its size and broad range of activities, the State is involved in numerous routine legal actions. The departments involved believe that the results of such litigation pending or anticipated will not materially affect the State of Florida's financial position.

### **A. Coastal Petroleum v. State of Florida**

Case No. 90-3195, 2<sup>nd</sup> Judicial Circuit. This is an inverse condemnation case claiming that the action of the Trustees and Legislature constitute a taking of Coastal's leases for which compensation is due. The Circuit Judge granted the State's motion for summary judgment finding that, as a matter of law, the State had not deprived Coastal of any royalty rights. Coastal appealed to the First District Court of Appeals, but the case was remanded to Circuit Court for trial. On August 6, 1996, final judgment was made in favor of the State. Although Coastal filed for review by the Supreme Court, the Supreme Court denied review and the petition for certiorari.

### **B. Florida Department of Transportation v. 745 Property Investments, CSX Transportation, Inc., and Continental Equities**

Case No. 94-17739 CA 27, Dade County Circuit Court. This case involves the Florida Department of Transportation (FDOT) and CSX Transportation, Inc. FDOT filed an action against the adjoining property owners seeking a declaratory judgment from the Dade County Circuit Court that the Department is not the owner of the property that is subject to a claim by the U.S. Environmental Protection Agency (EPA). Although the Court dismissed the case, the EPA could file a claim against the FDOT for clean-up costs. These costs could exceed \$25 million.

## **C. Jenkins v. Florida Department of Health and Rehabilitative Services**

Case No. 79-102-CIV-J-16, United States District Court. This was a class action suit on behalf of clients of residential placement for the developmentally disabled seeking refunds for services where children were entitled to free education under the Education for Handicapped Act. The Department had been collecting maintenance fees from parents of the placed children and various third parties such as SSI and Social Security. The District Court ruled in favor of the Plaintiffs and ordered repayment of the maintenance fees. The Department repaid the \$217,694 in maintenance fees paid by the parents; however, amounts estimated at \$21.6 million due to various third parties have not been paid since the affected parties have not been identified.

## **D. Nathan M. Hameroff, M. D. et. al. v. Agency for Health Care Administration, et. al.**

Case No. 95-5936, Leon County Circuit Court. The plaintiffs challenge the constitutionality of the Public Medical Assistance Trust Fund (PMATF) annual assessment on net operating revenue of free-standing outpatient facilities offering sophisticated radiology services. A trial has not been scheduled. If the State is unsuccessful in its actions, the potential refund liability could amount to approximately \$70 million.

## **E. Barnett Bank v. Florida Department of Revenue**

Case No. 97-02375, 4<sup>th</sup> Judicial Circuit. This case involves the issue of whether Florida's refund statute for dealer repossessions authorizes the Department to grant a refund to a financial institution as the assignee of numerous security agreements governing the sale of automobiles and other property sold by dealers. The question turns on whether the Legislature intended the statute only to provide a refund or credit to the dealer who actually sold the tangible personal property and collected and remitted the tax or intended that right to be assignable. Final judgment has been issued against the Department; however, the Department plans to appeal the decision. Several banks have applied for refunds; the potential refunds to financial institutions exceed \$30 million annually.

## **F. Tower Environmental v. Florida Department of Environmental Protection**

Case No. 98-01312, Hillsborough County Circuit Court. Tower Environmental has sued the State of Florida and the Department of Environmental Protection (DEP) for \$60 million alleging that both the State and DEP "breached" contracts with them by first "freezing" the processing of reimbursement applications and then the termination of the petroleum reimbursement process. Alternatively, Tower claims that these actions constitute torts or impairment of contractual obligations. Tower also alleges that the termination of reimbursement claims pursuant to Section 376.3071, F.S., is a breach of contract. In addition to damages, Tower seeks recovery of attorneys fees and costs. If attorneys fees and costs are awarded, the potential liability could be as high as \$60 million.

## **G. Peter and Roy Geraci v. Florida Department of Transportation**

Case No. 98-3904, Hillsborough County, 13<sup>th</sup> Judicial Circuit. The Plaintiffs claim that the Florida Department of Transportation has been responsible for construction of roads and attendant drainage facilities in Hillsborough County and, as a result of its construction, has caused the Plaintiffs' property to become subjected to flooding, thereby amounting to an uncompensated taking. On December 15, 1998, the Court granted the State's Motion for More Definite Statement as to certain portions of the Plaintiffs' complaint. If the State is unsuccessful in its actions, potential losses could exceed \$40 million.

## **H. Barnett Banks, Inc. v. Florida Department of Revenue**

Case No. 98-4104, 1<sup>st</sup> District Court of Appeals. In this case, the taxpayer has challenged the imposition of interest on additional amounts of corporate income tax due as a result of Federal audit adjustments reported to Florida. The Department's historical position is that interest is due from the due date of the return until payment of the additional amount of tax is made. The taxpayer contends that interest should be accrued from the date the Federal audit adjustments were due to be reported to Florida. A Final Order was issued adopting the position asserted by the Department; however, the taxpayer has filed an appeal of the Final Order. Based on the best available information, the potential exposure for refunds or lost revenue is in the range of \$12 to \$20 million per year.

## NOTE 23 - DEFICIT FUND EQUITY

### Internal Service Fund - Department of Insurance

The Florida Casualty Insurance Risk Management Trust Fund has deficit retained earnings of approximately \$567 million. The liabilities reported in the Fund represent long-term liabilities of the State of Florida as a whole rather than Department of Insurance only. These liabilities include claims pertaining to State Employee Workers' Compensation, Federal civil rights, and general and automotive liability.

### Internal Service Fund - Department of Management Services

The State Employees' Group Health Self-Insurance Trust Fund has deficit retained earnings of approximately \$27 million. This results from increased claims expense, including an actuarially estimated liability of approximately \$49 million for claims incurred but not reported for payment by the third-party claims administrator.

### Expendable Trust Fund - Department of Labor and Employment Security

The Special Disability Trust Fund has a deficit fund balance of approximately \$1.9 billion. This deficit is the cumulative result of claims expense over net assessment revenue.

### Component Units - Department of Transportation

The Tampa-Hillsborough County Expressway Authority has deficit retained earnings of approximately \$35 million. This deficit is the result of the change in reporting entity pursuant to Section 348.52, F.S. The Authority assumed infrastructure assets and long-term debt liabilities previously recorded in governmental funds, an agency fund, a general fixed assets account group, and a general long-term debt account group.

## NOTE 24 - RESERVES OF FUND BALANCE

The amounts reported in the combined balance sheet identified as reserved fund balance as of June 30, 1998, are comprised of the following (in thousands):

<b>General Fund:</b>	
Reserved for encumbrances	\$ 71,925
Reserved for inventories	8,155
Other reserved	685,990
<b>Reserved - General Fund</b>	<b>\$ 766,070</b>
<b>Special Revenue Funds:</b>	
Reserved for encumbrances	\$ 1,566,765
Reserved for inventories	35,028
Reserved for advances	111,699
Reserved for long-term receivables	929,271
Other reserved	82,790
<b>Reserved - Special Revenue Funds</b>	<b>\$ 2,725,553</b>
<b>Capital Projects Funds:</b>	
Reserved for encumbrances	\$ 36,596
Reserved for advances	19,500
<b>Reserved - Capital Projects Funds</b>	<b>\$ 56,096</b>
<b>Debt Service Fund:</b>	
Reserved for debt service	\$ 298,073
<b>Trust and Agency Funds:</b>	
Reserved for encumbrances	\$ 63
Reserved for inventories	2
Reserved for endowment principal	1,209
Reserved for employees pension benefits	83,780,277
Reserved for Investment Trust Fund participants	9,904,022
Other reserved	2,822
<b>Reserved - Trust and Agency Funds</b>	<b>\$ 93,688,395</b>
<b>State University System Fund Types:</b>	
Reserved for encumbrances	\$ 285,880
Other reserved	534,498
<b>Reserved - State University System Fund Types</b>	<b>\$ 820,378</b>
<b>Component Units - Community Colleges:</b>	
Reserved for encumbrances	\$ 145,237
Reserve for pension and endowment	131,589
Other reserved	222,809
<b>Reserved - Component Units - Community Colleges</b>	<b>\$ 499,635</b>
<b>Component Units - Other:</b>	
Reserved for encumbrances	\$ 156,659
Reserved for debt service	85,267
Other reserved	59,070
<b>Reserved - Component Units - Other</b>	<b>\$ 300,996</b>

## NOTE 25 - SUBSEQUENT EVENTS

### A. State Board of Education, Public Education Capital Outlay Bonds:

Series	Amount	Matures	Interest Rate
1997B	\$240,200,000	June 1, 1999 - June 1, 2028	4.000%-6.000%
1998A	\$250,000,000	June 1, 1999 - June 1, 2028	4.750%-6.000%

### B. State Board of Education, Public Education Capital Outlay Refunding Bonds:

Series	Amount	Matures	Interest Rate
1998B	\$224,595,000	June 1, 1999 - June 1, 2013	4.200%-5.250%
1998C	\$220,370,000	June 1, 1999 - June 1, 2022	4.000%-5.250%
1998D	\$226,375,000	June 1, 1999 - June 1, 2024	3.500%-5.250%
1999A	\$220,485,000	June 1, 1999 - June 1, 2023	4.000%-6.000%
1999B	\$139,525,000	June 1, 1999 - June 1, 2024	3.750%-5.250%

### C. Board of Regents, University of Florida Housing Revenue Bonds:

Series	Amount	Matures	Interest Rate
1998	\$26,155,000	July 1, 1999 - July 1, 2028	4.000% to 6.000%

### D. Board of Regents, University of Florida Parking Facility Revenue Bonds:

Series	Amount	Matures	Interest Rate
1998	\$10,000,000	Aug. 1, 2000 - Aug. 1, 2018	3.650% to 4.750%

### E. Board of Regents, Florida International University Housing Facility Revenue Bonds:

Series	Amount	Matures	Interest Rate
1998	\$26,525,000	July 1, 2001 - July 1, 2028	4.300% to 6.300%

### F. Board of Regents, University System Improvement Revenue Bonds:

Series	Amount	Matures	Interest Rate
1998	\$50,865,000	July 1, 1999 - July 1, 2023	4.000% to 5.000%

### G. Department of Management Services, Florida Facilities Pool Revenue Bonds:

Series	Amount	Matures	Interest Rate
1998B	\$45,680,000	Sept. 1, 2000 - Sept. 1, 2028	4.000% to 5.750%

### H. State Board of Education, Lottery Revenue Bonds:

Series	Amount	Matures	Interest Rate
1998B	\$200,000,000	July 1, 1999 - July 1, 2018	4.000% to 5.750%

### I. Department of Environmental Protection, Save Our Coast Refunding Revenue Bonds:

Series	Amount	Matures	Interest Rate
1998A	\$75,385,000	July 1, 1999 - July 1, 2010	3.800% to 5.250%

J. In late April and early May, significant wildland fires erupted in South Florida. On May 25, 1998, numerous wildfires broke out Statewide causing a significant economic impact on the State. Numerous homes (337) and businesses (33) were damaged or destroyed, and 500,000 acres of timber were destroyed. Tourism output was decreased for a two-month period. Total estimates of damages were in excess of \$645 million.

K. The 1997 Legislature passed legislation which established a new benefit program for eligible Florida Retirement System members to be effective July 1, 1998. The Deferred Retirement Option Program (DROP) is a program under which an eligible member of the Florida Retirement System may elect to participate for a

period not to exceed a maximum of 60 calendar months, deferring receipt of retirement benefits while continuing employment with a Florida Retirement System employer. The deferred monthly benefits shall accrue in the System Trust Fund on behalf of the participant, plus interest at an effective annual rate of 6.5 percent compounded monthly, for the specified period of the DROP participation.

- L. The parties in State of Florida v. American Tobacco Company, et al., entered into a stipulated settlement agreement on September 11, 1998, which provided additional benefits to the State, including the payment of additional moneys of \$1.7 billion. The agreement also specified that the private attorneys representing the State would be paid approximately \$3.4 billion from funds provided by the defendants.
- M. The State's remediation efforts relating to the year 2000 issue (described in Note 8B) included the following stages of work, as of December 31, 1998. The 492 agency developed mission-critical systems were 100% completed with the awareness stage, 100% completed with the assessment stage, 99% with the remediation stage and 91.5% with the validation/testing stage. The 16 top priority mission-critical systems were 100% completed with the awareness stage, 100% with the assessment stage, 98% with the remediation stage and 87% with the validation/testing stage. **(Unaudited)**

## **NOTE 26 - COMPONENT UNITS**

Component units, as described in Note 1, are legally separate organizations for which the State is financially accountable, and other organizations for which the nature and significance of their relationship with the State are such that exclusion would cause the State's financial statements to be misleading or incomplete. These legally separate organizations are managed independently, outside the State's budgeting process, and their powers generally are vested in a governing board pursuant to various State statutes.

The State's component units are generally supported by revenues derived from their activities, although the State has provided financial assistance, in some cases of a recurring nature, to certain organizations for operating and other expenses. For example, financial assistance, in the form of State appropriations, was provided to the State's community colleges and assistance is expected to continue in future years. Also, the State has issued full faith and credit bonds on behalf of its community colleges.

The State of Florida has over 130 component units. Major component units for the State consist of over 97 organizations classified in the following four categories: educational, transportation, environmental and community colleges. These four categories contain 97 and 94 percent of the total component unit assets and revenues, respectively. The community colleges and community college direct-support organizations are excluded from the condensed presentation because they are presented in a separate column on the combined statements. Substantially all financial data was derived from the latest audited annual financial statements and summarized into the accompanying format. Refer to Note 1 for additional discussion pertaining to discretely presented component unit categories and how to obtain further information on individual component units.



## CONDENSED BALANCE SHEET OTHER COMPONENT UNITS (in thousands)

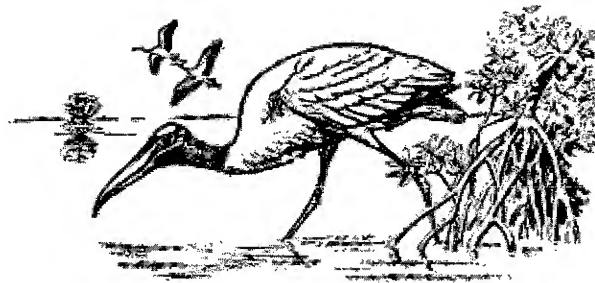
	<u>Environmental</u>	<u>Transportation</u>	<u>Educational</u>	<u>Other</u>	<u>Total</u>
<b>ASSETS</b>					
Current assets	\$ 339,513	\$ 244,651	\$ 2,079,159	\$ 142,406	\$ 2,805,729
Due from component units/primary	334,976	56,657	67,665	205,035	664,333
Property, plant and equipment	2,047,502	1,322,433	668,384	67,065	4,105,384
Amount available in debt service fund	13,672	71,719	.....	.....	85,391
Amount to be provided	214,526	101,983	.....	19	316,528
Other assets	.....	259,952	.....	3,293	263,245
<b>TOTAL ASSETS</b>	<b>\$ 2,950,189</b>	<b>\$ 2,057,395</b>	<b>\$ 2,815,208</b>	<b>\$ 417,818</b>	<b>\$ 8,240,610</b>
<b>LIABILITIES AND FUND EQUITY</b>					
Liabilities:					
Current liabilities	\$ 117,588	\$ 121,619	\$ 219,168	\$ 239,633	\$ 698,008
Due to component units/primary	1,844	149,967	146,754	1,626	300,191
Bonds payable	194,925	1,251,735	439,704	.....	1,886,364
Other long-term liabilities	33,405	127,784	160,709	33,177	355,075
<b>Total Liabilities</b>	<b>347,762</b>	<b>1,651,105</b>	<b>966,335</b>	<b>274,436</b>	<b>3,239,638</b>
Fund Equity:					
Contributed capital	.....	106,298	.....	6,226	112,524
Investments in general fixed assets	2,047,503	15,026	.....	1,199	2,063,728
Retained earnings	1,006	202,164	.....	64,313	267,483
Fund balance	553,918	82,802	1,848,873	71,644	2,557,237
<b>Total Fund Equity</b>	<b>2,602,427</b>	<b>406,290</b>	<b>1,848,873</b>	<b>143,382</b>	<b>5,000,972</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 2,950,189</b>	<b>\$ 2,057,395</b>	<b>\$ 2,815,208</b>	<b>\$ 417,818</b>	<b>\$ 8,240,610</b>

## CONDENSED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUNDS OTHER COMPONENT UNITS (in thousands)

	<u>Environmental</u>	<u>Transportation</u>	<u>Educational</u>	<u>Other</u>	<u>Total</u>
<b>REVENUES</b>	<b>\$ 471,507</b>	<b>\$ 19,437</b>	<b>\$ 1,693,740</b>	<b>\$ 112,312</b>	<b>\$ 2,296,996</b>
<b>EXPENDITURES</b>					
Current and other	360,251	7,679	1,209,892	110,902	1,688,724
Capital outlay	185,038	4,269	.....	35	189,342
Debt service	17,088	9,801	.....	884	27,773
<b>TOTAL EXPENDITURES</b>	<b>562,377</b>	<b>21,749</b>	<b>1,209,892</b>	<b>111,821</b>	<b>1,905,839</b>
<b>EXCESS(DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(90,870)</b>	<b>(2,312)</b>	<b>483,848</b>	<b>491</b>	<b>391,157</b>
Transfers in/(out) component units/primary	153,615	2,166	(159,756)	44,220	40,245
<b>NET CHANGE IN FUND BALANCES</b>	<b>62,745</b>	<b>(146)</b>	<b>324,092</b>	<b>44,711</b>	<b>431,402</b>
<b>FUND BALANCES - BEGINNING</b>	<b>491,173</b>	<b>86,861</b>	<b>1,696,512</b>	<b>26,933</b>	<b>2,301,479</b>
Adjustments to beginning fund balances	.....	(1,088)	(171,731)	.....	(172,819)
Fund Balances, as restated	491,173	85,773	1,524,781	26,933	2,128,660
Residual equity transfers	.....	(2,825)	.....	.....	(2,825)
<b>FUND BALANCES - ENDING</b>	<b>\$ 553,918</b>	<b>\$ 82,802</b>	<b>\$ 1,848,873</b>	<b>\$ 71,644</b>	<b>\$ 2,557,237</b>

**CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS**  
**ALL PROPRIETARY FUNDS**  
**OTHER COMPONENT UNITS**  
(in thousands)

	<u>Environmental</u>	<u>Transportation</u>	<u>Other</u>	<u>Total</u>
<b>OPERATING REVENUES</b>	<b>\$ 3,132</b>	<b>\$ 118,583</b>	<b>\$ 106,326</b>	<b>\$ 228,041</b>
<b>OPERATING EXPENSES</b>				
Operating expenses - depreciation	.....	4,774	56	4,830
Other operating	3,003	54,752	100,440	158,195
<b>TOTAL OPERATING EXPENSES</b>	<b>3,003</b>	<b>59,526</b>	<b>100,496</b>	<b>163,025</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>129</b>	<b>59,057</b>	<b>5,830</b>	<b>65,016</b>
Grants and contributions	.....	10,584	2,458	13,042
Nonoperating revenues/(expenses)	340	(45,087)	7,374	(37,373)
<b>INCOME/(LOSS) BEFORE TRANSFERS</b>	<b>469</b>	<b>24,554</b>	<b>15,662</b>	<b>40,685</b>
Transfers in/(out) component units/primary	.....	(37,002)	.....	(37,002)
<b>NET INCOME/(LOSS)</b>	<b>469</b>	<b>(12,448)</b>	<b>15,662</b>	<b>3,683</b>
<b>RETAINED EARNINGS - BEGINNING</b>	<b>537</b>	<b>213,167</b>	<b>48,651</b>	<b>262,355</b>
Adjustments to beginning retained earnings	.....	(1,380)	.....	(1,380)
Retained Earnings, as restated	537	211,787	48,651	260,975
Residual equity transfers	.....	2,825	.....	2,825
<b>RETAINED EARNINGS - ENDING</b>	<b>\$ 1,006</b>	<b>\$ 202,164</b>	<b>\$ 64,313</b>	<b>\$ 267,483</b>



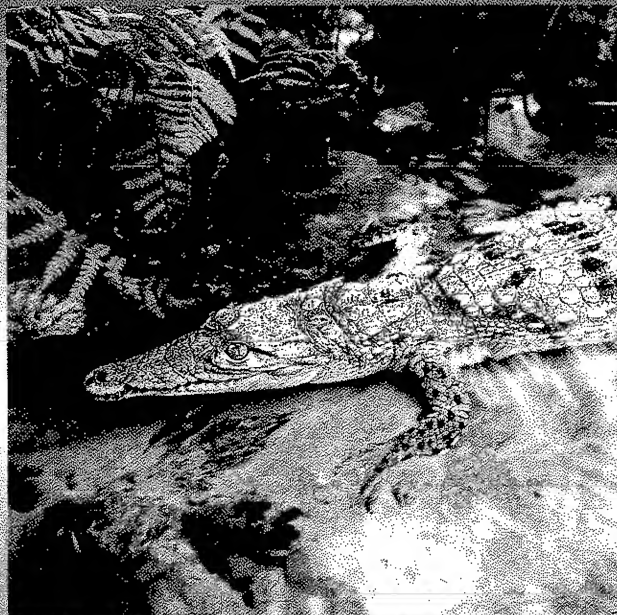
## **WOOD STORK**

Species: "*Mycteria americana*"

### **Feeding Habits:**

Small fish from 1 to 6 inches long are the wood stork's primary diet. They capture their prey by a specialized technique known as grope-feeding or tacto-location. The wood stork feeds by walking through water that is 6 to 10 inches deep. The bird will stop walking, stick its leg into the debris or vegetation in front of it and shake its foot to flush out any hiding fish. When a fish touches the bill it quickly snaps shut. A pair of wood storks require 440 pounds of fish during the breeding season.

C O M B I N I N G



American Crocodile  
(Endangered Species)

F I N A N C I A L

*Statements*

# Everglades National Park



On May 30, 1934, an Act was passed authorizing a park of 2,164,480 acres to be acquired through public or private donation. Everglades National Park was to be "wilderness (where) no development...or plan for the entertainment of visitors shall be undertaken which will interfere with the preservation of the unique flora and fauna of the essential primitive natural conditions now prevailing in this area." This mandate to preserve wilderness is one of the strongest in the legislative history of the National Park Service.

For ten years little progress was made towards making the park a reality. In 1944, Congress authorized the establishment of a national wildlife refuge to provide some measure of protection to the area. In 1946, the Florida Legislature appropriated \$2 million for the purchase of certain private lands in the Everglades. These land acquisitions, along with the donation by the State Federation of Women's Club of the Royal Palm State Park, led to President Truman's dedication of the park.

***"Here no lofty peaks seeking the sky, no mighty glaciers or rushing streams wearing away the uplifted land. Here is land, tranquil in its quiet beauty, serving not as the source of water, but as the last receiver of it. To its natural abundance we owe the spectacular plant and animal life that distinguishes this place from all others in the country."***

With these words, President Harry S. Truman formally dedicated Everglades National Park on December 6, 1947 in a ceremony held at Everglades City. This event culminated years of effort by a dedicated group of conservationists to make a National Park in the Florida Everglades a reality.



The intermingling of plant and animal species from both the tropical and temperate zones, plus the merging of freshwater and saltwater habitats, provides the vast biological diversity that makes Everglades National Park so unique. As the first national park to be established to preserve purely biological—not geological—resources, its significant features and resources include:

- ✕ the largest designated wilderness east of the Rocky Mountains
- ✕ the largest continuous stand of sawgrass prairie in North America
- ✕ the most significant breeding grounds for tropical wading birds in North America
- ✕ over 230,100 acres of mangrove forest; the largest mangrove ecosystem in the western hemisphere
- ✕ a nationally significant estuarine complex in Florida Bay
- ✕ significant ethnographic resources, revealing 2,000 years of human occupation.

The Everglades is the only national park in our hemisphere that has been named an International Biosphere Reserve. Established for its biological values, Everglades National Park was added to this world list on October 26, 1976. The park is a subtropical mosaic of diversity, which is refuge for 13 threatened or endangered animal species. Its human history spans over 2,000 years. Because of its uniqueness, Everglades National Park was also designated a World Heritage Site on October 26, 1976.

## *General Fund*

The general fund is maintained to account for all financial resources except those required to be accounted for in another fund.

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# STATE OF FLORIDA

## BALANCE SHEET - GENERAL FUND JUNE 30, 1998 (in thousands)

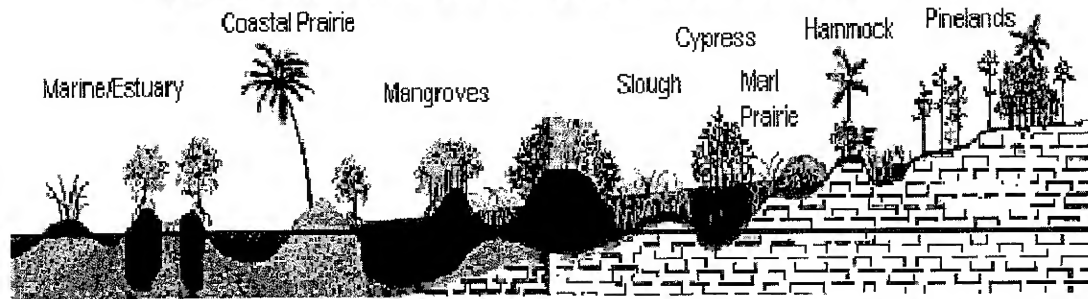
	Totals	
	<u>6/30/98</u>	<u>6/30/97</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 5,527	\$ 5,192
Pooled investments with State Treasury	2,661,396	2,411,241
Receivables, net	1,288,527	1,149,837
Due from other funds	246,860	223,918
Due from component units/primary	95	.....
Advances to other funds	16,367	41,394
Advances to Component Units	24,827	.....
Inventories	21,537	20,046
Loans and notes receivable, net	4,286	4,394
Deferred fiscal charges and other assets	261	218
<b>TOTAL ASSETS</b>	<b>\$ 4,269,683</b>	<b>\$ 3,856,240</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 438,812	\$ 391,353
Due to other funds	347,078	313,593
Due to component units/primary	15,700	411
Compensated absences	6,616	.....
Obligations under security lending agreements	146,635	205,659
Other liabilities	1	3,457
<b>Total Liabilities</b>	<b>954,842</b>	<b>914,473</b>
Fund Balances:		
Reserved	766,070	522,761
Unreserved	2,548,771	2,419,006
<b>Total Fund Balances</b>	<b>3,314,841</b>	<b>2,941,767</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 4,269,683</b>	<b>\$ 3,856,240</b>



**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**  
(in thousands)

	Totals	
	6/30/98	6/30/97
<b>REVENUES</b>		
Taxes	\$ 15,941,869	\$ 14,683,410
Licenses and permits	68,185	56,448
Fees and charges	155,444	195,404
Grants and donations	2,129	100
Investment earnings	260,385	172,375
Fines, forfeits and judgments	152,412	1,135
Refunds	64,497	98,490
<b>TOTAL REVENUES</b>	<b>16,644,921</b>	<b>15,207,362</b>
<b>EXPENDITURES</b>		
Current:		
Economic opportunities, agriculture and employment	61,561	65,537
Public safety	1,976,740	2,052,925
Education	6,889,146	6,145,232
Health and social concerns	3,829,198	3,044,451
Housing and community development	4,394	8,501
Natural resources and environmental management	164,545	154,096
Recreational and cultural opportunities	61,857	73,632
Governmental direction and support services	1,366,039	1,378,680
Capital outlay	71,121	88,513
Debt service:		
Principal retirement	1,624	3,582
Interest and fiscal charges	95	250
<b>TOTAL EXPENDITURES</b>	<b>14,426,320</b>	<b>13,015,399</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>2,218,601</b>	<b>2,191,963</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Operating transfers in	2,911,085	2,518,128
Operating transfers out	(2,593,994)	(2,152,384)
Transfers to State University System	(1,568,855)	(1,294,962)
Transfers out to component units/primary	(638,414)	(600,468)
Proceeds of financing agreements	476	635
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,889,702)</b>	<b>(1,529,051)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>328,899</b>	<b>662,912</b>
Fund Balances, July 1	2,941,767	2,295,177
Adjustments to increase (decrease) beginning fund balances	(778)	.....
Fund Balances, July 1, as restated	2,940,989	2,295,177
Residual Equity Transfers	43,104	(15,508)
Change in Reserve for Inventories	1,849	(814)
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 3,314,841</b>	<b>\$ 2,941,767</b>

# EVERGLADES NATIONAL PARK HABITATS



Everglades National Park is the third largest park in the United States, outside Alaska. The park is 1,506,539 acres in size. It has extensive fresh and saltwater areas, open Everglades prairies and mangrove forests. Abundant wildlife includes rare and colorful birds, and this is the only place where alligators and crocodiles exist side by side. Though the park is often characterized as a water marsh, several very distinct habitats exist within its boundaries.

## **Marine/Estuary**

Florida Bay, the largest body of water within Everglades National Park, contains over 800 square miles of marine bottom, much of which is covered by seagrass. The seagrass shelters fish and shellfish and sustains the food chain that supports all higher vertebrates in the bay. The hard bottom areas are home to corals and sponges.

## **Coastal Prairie**

Located between the tidal mud flats of Florida Bay and dry land, the coastal prairie is an arid region of salt-tolerant vegetation periodically flooded by hurricane waves and buffeted by heavy winds. It is characterized by succulents and other low-growing desert plants that can withstand the harsh conditions.

## **Mangroves**

Mangrove forests are found in the coastal channels and winding rivers around the tip of South Florida. Red mangroves (*Rhizophora Mangle*), identified by their stilt-like roots, and the black (*Avicennia germinans*) and white mangroves (*Laguncularia racemosa*) thrive in tidal waters, where freshwater from the Everglades mixes with saltwater. This estuary system is a valuable nursery for shrimp and fish. During dry months, wading birds congregate here to feed. Many bird species nest in the mangrove trees.

## **Freshwater Slough**

The slough is the deeper and faster-flowing center of a broad marshy river. This "fast" flow moves at a leisurely pace of 100 feet per day. Dotted with tree-islands called hammocks, this vast landscape channels life-giving waters from north to south. Everglades National Park contains two distinct sloughs: Shark River Slough, the "river of grass" and Taylor Slough, a narrow, eastern branch of the "river." There are no surface connections between the two. A series of other sloughs through the Big Cypress Swamp supply freshwater to western Florida Bay and the Ten Thousand Islands.

## **Cypress**

The cypress tree is a deciduous conifer that can survive in standing water. These trees often form dense clusters called cypress domes in natural water-filled depressions.

## **Freshwater Marl Prairie**

Bordering the deeper sloughs are large prairies with marl sediments, a calcareous material that settles on the limestone. The marl allows slow seepage of the water but not drainage. Though the sawgrass is not as tall and the water is not as deep, freshwater marl prairies look a lot like freshwater sloughs.

## **Hardwood Hammocks**

Hammocks are dense stands of hardwood trees that grow on natural rises in the land. They appear as tear-drop shaped islands shaped by the flow of water in the middle of the slough. Many tropical species, such as mahogany and gumbo limbo, grow on hammocks. Because of their slight elevation, hammocks rarely flood. Shaded from the sun, ferns and airplants thrive in the moisture-laden air inside the hammock.

## **Pinelands**

The slash pine is the dominant plant in the dry, rugged terrain that sits on top of a limestone ridge. The pines root in any crack or crevice where soil collects in the jagged bedrock. The pinelands are the most diverse habitat in the Everglades, consisting of slash pine forest, an understory of palmettos and over 200 varieties of tropical plants.

## Special Revenue Funds

The special revenue funds are maintained to account for the proceeds of special revenue sources that are legally restricted to expenditures for specific purposes.

### Department of Environmental Protection

*Florida Preservation 2000 Trust Funds* - These funds account for bond proceeds used to acquire, protect, and preserve public lands that are in imminent danger of development, contain valuable natural resources, or may serve as a habitat for endangered, threatened or rare species.

*Land Acquisition Trust Fund* - This fund's primary purpose is to facilitate and expedite the acquisition of land, water areas, and related resources by paying rentals due under lease-purchase agreements and meet debt service requirements of revenue bonds issued for the purpose of acquiring and protecting public lands.

*Inland Protection Trust Fund* - Serves as a repository for funds which will enable the Department to respond without delay to incidents of inland contamination related to the storage of petroleum and petroleum products in order to protect the public health, safety, and welfare and to minimize environmental damage.

### Department of Education

*Educational Aids Trust Fund* - This fund accounts for federal grants to the Division of Public Schools. Disbursements to school districts are for the operation of federal programs.

*Food and Nutrition Services Trust Fund* - This is also federal moneys to reimburse school districts participating in federal programs.

*Public Education Capital Outlay and Debt Service Trust Fund* - Revenues to this fund consist of bond proceeds, interest, gross receipts tax and student building fees. Distributions include school districts, community colleges and state universities for capital outlay projects, investments and debt service payments.

*Educational Enhancement Trust Fund* - This fund was established to account for the revenues and expenditures related to moneys transferred from the Department of the Lottery for public educational programs.

### Department of Community Affairs

This department maintains several trust funds that provide aid to local governments for various services, including disaster relief and recovery, housing, emergency management preparedness and public safety.

### Department of Transportation

*State Transportation Trust Fund* - This fund is maintained to account for the majority of the operations of this department. In addition to federal grants, it is funded by transfers from motor fuel taxes and motor vehicle and mobile home licenses.

### Department of Children and Families

*Economic Services Direct Assistance Trust Fund* - Moneys for this fund are from the Federal Title IV-A TANF program. The fund is used to make TANF payments.

### Department of Health

*County Health Unit Trust Fund* - Contains all state and local funds to be expended by county health departments for public health services and maintaining public health equipment and facilities.

*Tobacco Settlement Trust Fund* - This fund accounts for all funds received by the State as a result of the settlement of its lawsuit against the tobacco industry.

### Department of Revenue

This department is the collection agency for most State taxes and maintains trust funds to account for the resources and distribution of these funds.

*Documentary Stamp Tax Trust Fund* - The General Fund receives 76.21% of this tax; the remainder is used for land and water management.

*Gas Tax Collection Trust Fund* - The major distribution of this tax is among the counties, municipalities and the Department of Transportation.

*Intangible Tax Trust Fund* - Counties receive 41.3% of this tax; the remainder is transferred to the general fund.

*Local Government ½ Cent Sales Tax Fund* - This fund collects and distributes a part of sales tax to eligible local governments.

*Insurance Premium Tax Trust Fund* - This fund distributes its revenue between the General Fund and the Insurance Regulatory Trust Fund as directed by the Department of Insurance.

### Department of Business and Professional Regulation

*Cigarette Tax Collection Trust Fund* - This tax revenue is distributed to qualified municipalities, counties and the general fund.

### Agency for Health Care Administration

*Medical Care Trust Fund* - Revenues of this fund are derived from federal Title XIX grant moneys. The fund is used to make medical assistance payments to Medicaid service providers.

*Public Medical Assistance Trust Fund* - This fund was established to account for health care services provided to indigent persons (Medical Services).

# STATE OF FLORIDA

## COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS

JUNE 30, 1998

(in thousands)

	Departments of				Children and Families
	<u>Environmental Protection</u>	<u>Education</u>	<u>Community Affairs</u>	<u>Transportation</u>	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,828	\$ 745	\$ 10	\$ 995	\$ .....
Pooled investments with State Treasury	1,561,471	1,113,966	147,734	588,068	133,207
Investments	.....	1,312	1,704	.....	.....
Receivables, net	16,979	41,094	55,260	70,709	121,401
Due from other funds	47,514	50,256	3,515	315,668	20,556
Due from component units/primary	.....	.....	14	239,885	.....
Advances to other funds	3,200	.....	.....	107,906	.....
Inventories	1,179	2	6	20,577	142,880
Loans and notes receivable, net	625,978	15,390	5,618	65,218	6
Deferred fiscal charges and other assets	.....	.....	.....	.....	.....
<b>TOTAL ASSETS</b>	<b>\$ 2,258,149</b>	<b>\$ 1,222,765</b>	<b>\$ 213,861</b>	<b>\$ 1,409,026</b>	<b>\$ 418,050</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 79,738	\$ 53,696	\$ 11,634	\$ 332,807	\$ 100,310
Due to other funds	17,020	274,778	9,327	28,993	29,110
Due to component units/primary	4,333	178,858	209	703	12
Advances from other funds	15,200	.....	171	10,000	222
Deferred revenues	14,469	41,194	9,106	84,567	189,288
Compensated absences	1,536	83	7	1,937	590
Obligations under security lending agreements	82,040	58,528	7,762	30,830	7,007
Other liabilities	55	.....	.....	.....	.....
<b>Total Liabilities</b>	<b>214,391</b>	<b>607,137</b>	<b>38,216</b>	<b>489,837</b>	<b>326,539</b>
Fund Balances:					
Reserved	1,636,716	15,584	117,352	837,795	2,463
Unreserved	407,042	600,044	58,293	81,394	89,048
<b>Total Fund Balances</b>	<b>2,043,758</b>	<b>615,628</b>	<b>175,645</b>	<b>919,189</b>	<b>91,511</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,258,149</b>	<b>\$ 1,222,765</b>	<b>\$ 213,861</b>	<b>\$ 1,409,026</b>	<b>\$ 418,050</b>

Departments of					Totals	
<u>Health</u>	<u>Revenue</u>	<u>Business and Professional Regulation</u>	<u>Agency for Health Care Administration</u>	<u>Other</u>	<u>6/30/98</u>	<u>6/30/97</u>
\$ 1,428	\$ 7	\$ 397	\$ .....	\$ 5,961	\$ 11,371	\$ 8,408
770,179	708,239	78,261	284,692	617,625	6,003,442	4,577,043
.....	.....	.....	.....	123,678	126,694	107,358
289,352	216,932	36,450	709,446	59,163	1,616,786	1,391,078
13,278	90,825	2,791	40,446	110,256	695,105	531,536
.....	.....	.....	.....	14	239,913	153,898
.....	.....	.....	20	2,896	114,022	175,158
9,643	79	230	.....	5,148	179,744	495,099
.....	.....	.....	.....	7,057	719,267	672,322
.....	.....	.....	.....	992	992	1,490
<b>\$ 1,083,880</b>	<b>\$ 1,016,082</b>	<b>\$ 118,129</b>	<b>\$ 1,034,604</b>	<b>\$ 932,790</b>	<b>\$ 9,707,336</b>	<b>\$ 8,113,390</b>
\$ 37,691	\$ 260,727	\$ 6,702	\$ 712,091	\$ 83,658	\$ 1,679,054	\$ 1,228,282
16,452	424,647	7,190	14,841	119,609	941,967	948,501
.....	4,796	24	.....	202	189,137	148,687
.....	7	.....	.....	4,520	30,120	18,271
52,927	13,783	159	.....	9,231	414,724	944,749
410	27	126	77	1,755	6,548	.....
40,465	37,221	4,112	14,959	32,455	315,379	390,414
.....	.....	.....	.....	507	562	633
<b>147,945</b>	<b>741,208</b>	<b>18,313</b>	<b>741,968</b>	<b>251,937</b>	<b>3,577,491</b>	<b>3,679,537</b>
32,647	12,869	2,906	3,373	63,848	2,725,553	2,035,427
903,288	262,005	96,910	289,263	617,005	3,404,292	2,398,426
<b>935,935</b>	<b>274,874</b>	<b>99,816</b>	<b>292,636</b>	<b>680,853</b>	<b>6,129,845</b>	<b>4,433,853</b>
<b>\$ 1,083,880</b>	<b>\$ 1,016,082</b>	<b>\$ 118,129</b>	<b>\$ 1,034,604</b>	<b>\$ 932,790</b>	<b>\$ 9,707,336</b>	<b>\$ 8,113,390</b>

# STATE OF FLORIDA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES ALL SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 1998 (in thousands)

	Departments of				
	Environmental Protection	Education	Community Affairs	Transportation	Children and Families
<b>REVENUES</b>					
Taxes	\$ 1	\$ 631,222	\$ .....	\$ 527	\$ .....
Licenses and permits	29,777	1,194	.....	6,446	345
Fees and charges	50,895	11,396	5,068	59,823	158,629
Grants and donations	71,214	1,134,940	276,529	699,724	1,945,905
Investment earnings	106,391	69,773	7,906	46,202	4,261
Fines, forfeits and judgments	4,409	10	1,225	12,555	148
Flexible benefits contributions	.....	.....	.....	.....	.....
Refunds	5,846	9,812	1,744	6,243	16,474
Other	.....	.....	.....	599	8
<b>TOTAL REVENUES</b>	<b>268,533</b>	<b>1,858,347</b>	<b>292,472</b>	<b>832,119</b>	<b>2,125,770</b>
<b>EXPENDITURES</b>					
Current:					
Economic opportunities, agriculture and employment	.....	.....	.....	.....	6,416
Public safety	.....	.....	165,464	.....	.....
Education	.....	2,145,777	.....	.....	.....
Health and social concerns	.....	.....	13,478	.....	2,039,330
Housing and community development	.....	.....	86,444	.....	.....
Natural resources and environmental management	371,342	.....	9,841	.....	.....
Recreational and cultural opportunities	62,683	.....	.....	.....	.....
Transportation	.....	.....	.....	871,040	.....
Governmental direction and support services	.....	.....	.....	21,747	.....
Capital outlay	89,895	400,405	53,109	1,631,039	2,966
Debt service:					
Principal retirement	211	.....	.....	.....	25
Interest and fiscal charges	13	.....	.....	637	5
<b>TOTAL EXPENDITURES</b>	<b>524,144</b>	<b>2,546,182</b>	<b>328,336</b>	<b>2,524,463</b>	<b>2,048,742</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(255,611)</b>	<b>(687,835)</b>	<b>(35,864)</b>	<b>(1,692,344)</b>	<b>77,028</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds of bond issues	281,715	860,295	.....	346,300	.....
Operating transfers in	857,838	1,061,207	113,967	2,115,193	121,502
Operating transfers out	(447,907)	(569,278)	(43,823)	(644,913)	(183,287)
Transfers in from component units/primary	3	.....	55	1,001	1,800
Transfers out to component units/primary	(143,293)	(279,916)	(209)	.....	.....
Proceeds of financing agreements	.....	.....	.....	.....	.....
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>548,356</b>	<b>1,072,308</b>	<b>69,990</b>	<b>1,817,581</b>	<b>(59,985)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>292,745</b>	<b>384,473</b>	<b>34,126</b>	<b>125,237</b>	<b>17,043</b>
Fund Balances, July 1	1,776,463	227,837	140,699	793,802	76,133
Adjustments to increase (decrease) beginning fund balances	(25,592)	3,318	823	2,115	(1,665)
Fund Balances, July 1, as restated	1,750,871	231,155	141,522	795,917	74,468
Residual Equity Transfers	.....	.....	.....	.....	.....
Change in Reserve for Inventories	142	.....	(3)	(1,965)	.....
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 2,043,758</b>	<b>\$ 615,628</b>	<b>\$ 175,645</b>	<b>\$ 919,189</b>	<b>\$ 91,511</b>

Departments of					Totals	
Health	Revenue	Business and Professional Regulation	Agency for Health Care Administration	Other	6/30/98	6/30/97
\$ .....	\$ 4,377,190	\$ 482,138	\$ 272,722	\$ 190,167	\$ 5,953,967	\$ 5,493,914
42,841	.....	71,690	9,655	677,895	839,843	779,967
936,764	220,602	34,172	113,174	781,139	2,371,662	1,569,818
494,358	64,839	.....	3,680,490	561,371	8,929,370	8,934,678
11,842	3,575	4,164	10,694	37,448	302,256	226,304
1,018	.....	4,939	1,380	160,812	186,496	169,969
.....	.....	.....	.....	56,505	56,505	56,708
3,913	412	344	421,373	6,536	472,697	402,979
.....	6,815	.....	.....	380	7,802	612
<b>1,490,736</b>	<b>4,673,433</b>	<b>597,447</b>	<b>4,509,488</b>	<b>2,472,253</b>	<b>19,120,598</b>	<b>17,634,949</b>
18,922	.....	138,888	9,895	687,310	861,431	796,056
.....	.....	.....	.....	335,131	500,595	417,588
.....	.....	.....	.....	.....	2,145,777	2,581,736
872,088	123,261	.....	4,603,805	297,161	7,949,123	7,763,584
.....	8,103	.....	.....	69,974	164,521	198,194
.....	.....	.....	.....	68,601	449,784	479,361
.....	.....	.....	.....	26,273	88,956	95,725
.....	.....	.....	.....	.....	871,040	873,326
.....	1,901,343	7,760	.....	438,583	2,369,433	2,245,566
9,460	6,978	2,950	1,053	104,029	2,301,884	1,861,919
147	426	.....	.....	3,467	4,276	3,647
1	58	.....	.....	135	849	702
<b>900,618</b>	<b>2,040,169</b>	<b>149,598</b>	<b>4,614,753</b>	<b>2,030,664</b>	<b>17,707,669</b>	<b>17,317,404</b>
<b>590,118</b>	<b>2,633,264</b>	<b>447,849</b>	<b>(105,265)</b>	<b>441,589</b>	<b>1,412,929</b>	<b>317,545</b>
.....	.....	.....	.....	.....	1,488,310	1,059,140
280,898	1,843,501	45,546	313,658	937,362	7,690,672	6,974,920
(28,508)	(4,446,067)	(495,664)	(139,039)	(1,360,595)	(8,359,081)	(7,573,764)
.....	.....	.....	.....	483	3,342	1,523
.....	(82,536)	.....	.....	(25,592)	(531,546)	(415,328)
.....	.....	.....	.....	1,403	1,403	455
<b>252,390</b>	<b>(2,685,102)</b>	<b>(450,118)</b>	<b>174,619</b>	<b>(446,939)</b>	<b>293,100</b>	<b>46,946</b>
<b>842,508</b>	<b>(51,838)</b>	<b>(2,269)</b>	<b>69,354</b>	<b>(5,350)</b>	<b>1,706,029</b>	<b>364,491</b>
83,784	326,650	101,770	222,718	683,997	4,433,853	4,043,222
.....	61	315	564	2,595	(17,466)	(6,860)
83,784	326,711	102,085	223,282	686,592	4,416,387	4,036,362
.....	.....	.....	.....	.....	.....	51,074
9,643	1	.....	.....	(389)	7,429	(18,074)
<b>\$ 935,935</b>	<b>\$ 274,874</b>	<b>\$ 99,816</b>	<b>\$ 292,636</b>	<b>\$ 680,853</b>	<b>\$ 6,129,845</b>	<b>\$ 4,433,853</b>



# STATE OF FLORIDA

## COMBINING BALANCE SHEET - ALL OTHER SPECIAL REVENUE FUNDS

JUNE 30, 1998

(in thousands)

	Departments of				
	<u>Legal Affairs</u>	<u>State</u>	<u>Insurance</u>	<u>Labor and Employment Security</u>	<u>Corrections</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 24	\$ 84	\$ 130	\$ 152	\$ .....
Pooled investments with State Treasury	20,874	49,551	58,553	66,901	43,653
Investments	.....	.....	.....	.....	.....
Receivables, net	19,869	363	633	302	346
Due from other funds	2,134	6,993	16,372	27,758	4,760
Due from component units/primary	.....	.....	.....	.....	.....
Advances to other funds	37	.....	78	1,582	.....
Inventories	.....	.....	158	.....	89
Loans and notes receivable, net	1,597	.....	.....	.....	.....
Deferred fiscal charges and other assets	.....	.....	.....	.....	.....
<b>TOTAL ASSETS</b>	<b>\$ 44,535</b>	<b>\$ 56,991</b>	<b>\$ 75,924</b>	<b>\$ 96,695</b>	<b>\$ 48,848</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 10,684	\$ 1,542	\$ 2,410	\$ 19,292	\$ 1,395
Due to other funds	2,975	22,029	3,625	9,826	18,084
Due to component units/primary	.....	17	1	41	36
Advances from other funds	37	.....	203	1,546	800
Deferred revenues	130	6,945	.....	109	.....
Compensated absences	.....	.....	393	.....	.....
Obligations under security lending agreements	1,097	2,604	3,076	3,515	2,294
Other liabilities	409	.....	.....	.....	.....
<b>Total Liabilities</b>	<b>15,332</b>	<b>33,137</b>	<b>9,708</b>	<b>34,329</b>	<b>22,609</b>
Fund Balances:					
Reserved	159	2,415	8,144	8,102	3,708
Unreserved	29,044	21,439	58,072	54,264	22,531
<b>Total Fund Balances</b>	<b>29,203</b>	<b>23,854</b>	<b>66,216</b>	<b>62,366</b>	<b>26,239</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 44,535</b>	<b>\$ 56,991</b>	<b>\$ 75,924</b>	<b>\$ 96,695</b>	<b>\$ 48,848</b>

# STATE OF FLORIDA

<u>Management Services</u>	<u>Departments of Highway Safety and Motor Vehicles</u>	<u>Executive Office of the Governor</u>	<u>State Board of Administration</u>	<u>Other</u>	<u>Total 6/30/98</u>
\$ 3	\$ 769	\$ .....	\$ 143	\$ 4,656	\$ 5,961
65,935	63,603	62,912	.....	185,643	617,625
96,169	.....	400	27,109	.....	123,678
9,930	14,799	220	144	12,557	59,163
3,127	14,303	1,469	17,563	15,777	110,256
.....	.....	.....	.....	14	14
.....	950	.....	.....	249	2,896
.....	1,916	.....	.....	2,985	5,148
.....	.....	5,460	.....	.....	7,057
.....	894	.....	.....	98	992
<b>\$ 175,164</b>	<b>\$ 97,234</b>	<b>\$ 70,461</b>	<b>\$ 44,959</b>	<b>\$ 221,979</b>	<b>\$ 932,790</b>
\$ 6,768	\$ 8,287	\$ 1,684	\$ 9,709	\$ 21,887	\$ 83,658
11,942	25,365	9,981	4,725	11,057	119,609
.....	.....	.....	.....	107	202
.....	1,825	.....	.....	109	4,520
6	995	17	.....	1,029	9,231
3	985	.....	.....	374	1,755
3,464	3,342	3,306	.....	9,757	32,455
14	51	.....	.....	33	507
<b>22,197</b>	<b>40,850</b>	<b>14,988</b>	<b>14,434</b>	<b>44,353</b>	<b>251,937</b>
757	6,200	11,055	.....	23,308	63,848
152,210	50,184	44,418	30,525	154,318	617,005
<b>152,967</b>	<b>56,384</b>	<b>55,473</b>	<b>30,525</b>	<b>177,626</b>	<b>680,853</b>
<b>\$ 175,164</b>	<b>\$ 97,234</b>	<b>\$ 70,461</b>	<b>\$ 44,959</b>	<b>\$ 221,979</b>	<b>\$ 932,790</b>

# STATE OF FLORIDA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES ALL OTHER SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 1998 (in thousands)

	Departments of				
	Legal Affairs	State	Insurance	Labor and Employment Security	Corrections
<b>REVENUES</b>					
Taxes	\$ .....	\$ .....	\$ 23,936	\$ 71,715	\$ .....
Licenses and permits	.....	7,937	40,381	15	.....
Fees and charges	14,239	78,705	24,177	11,185	9,780
Grants and donations	28,516	6,003	.....	418,568	35
Investment earnings	1,116	1,310	4,124	3,893	1,276
Fines, forfeits and judgments	28,438	23,118	18,829	2,977	32
Flexible benefits contributions	.....	.....	.....	.....	.....
Refunds	82	326	.....	2,051	840
Other	.....	.....	.....	.....	.....
<b>TOTAL REVENUES</b>	<b>72,391</b>	<b>117,399</b>	<b>111,447</b>	<b>510,404</b>	<b>11,963</b>
<b>EXPENDITURES</b>					
Current:					
Economic opportunities, agriculture and employment	.....	18,693	52,842	420,722	.....
Public safety	336	.....	18,493	.....	38,406
Health and social concerns	.....	.....	.....	187,487	.....
Housing and community development	.....	.....	.....	.....	.....
Natural resources and environmental management	.....	.....	.....	.....	.....
Recreational and cultural opportunities	.....	26,248	.....	25	.....
Governmental direction and support services	59,689	2,086	26,784	.....	258
Capital outlay	1,829	2,010	3,218	13,084	7,035
Debt service:					
Principal retirement	.....	26	.....	.....	.....
Interest and fiscal charges	.....	1	.....	.....	.....
<b>TOTAL EXPENDITURES</b>	<b>61,854</b>	<b>49,064</b>	<b>101,337</b>	<b>621,318</b>	<b>45,699</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>10,537</b>	<b>68,335</b>	<b>10,110</b>	<b>(110,914)</b>	<b>(33,736)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	6,121	25,244	26,299	170,201	32,945
Operating transfers out	(6,243)	(90,033)	(42,544)	(71,248)	(20,869)
Transfers in from component units/primary	.....	.....	.....	.....	483
Transfers out to component units/primary	.....	.....	.....	.....	.....
Proceeds of financing agreements	.....	.....	.....	.....	.....
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(122)</b>	<b>(64,789)</b>	<b>(16,245)</b>	<b>98,953</b>	<b>12,559</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>10,415</b>	<b>3,546</b>	<b>(6,135)</b>	<b>(11,961)</b>	<b>(21,177)</b>
Fund Balances, July 1	17,668	21,283	72,020	73,986	47,199
Adjustments to increase (decrease) beginning fund balances	79	88	331	341	217
Fund Balances, July 1, as restated	17,747	21,371	72,351	74,327	47,416
Residual Equity Transfers	1,041	(1,041)	.....	.....	.....
Change in Reserve for Inventories	.....	(22)	.....	.....	.....
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 29,203</b>	<b>\$ 23,854</b>	<b>\$ 66,216</b>	<b>\$ 62,366</b>	<b>\$ 26,239</b>

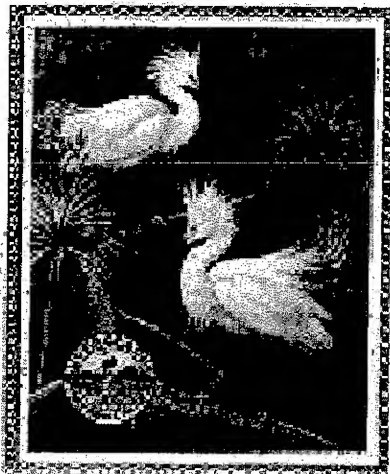
<u>Management Services</u>	<u>Departments of Highway Safety and Motor Vehicles</u>	<u>Executive Office of the Governor</u>	<u>State Board of Administration</u>	<u>Other</u>	<u>Total 6/30/98</u>
\$ .....	\$ 1,448	\$ .....	\$ .....	\$ 93,068	\$ 190,167
.....	597,902	.....	.....	31,660	677,895
131,197	341,660	877	20,797	148,522	781,139
885	2,046	678	.....	104,640	561,371
9,179	1,660	3,041	2,083	9,766	37,448
.....	75,919	.....	.....	11,499	160,812
56,505	.....	.....	.....	.....	56,505
1,526	32	9	32	1,638	6,536
.....	174	.....	101	105	380
<b>199,292</b>	<b>1,020,841</b>	<b>4,605</b>	<b>23,013</b>	<b>400,898</b>	<b>2,472,253</b>
670	.....	15,775	.....	178,608	687,310
302	182,234	.....	.....	95,360	335,131
.....	.....	.....	.....	109,674	297,161
68,449	1,525	.....	.....	.....	69,974
.....	.....	.....	.....	68,601	68,601
.....	.....	.....	.....	.....	26,273
192,645	.....	3,860	134,094	19,167	438,583
20,567	3,717	10,367	686	41,516	104,029
77	.....	.....	.....	3,364	3,467
9	.....	.....	.....	125	135
<b>282,719</b>	<b>187,476</b>	<b>30,002</b>	<b>134,780</b>	<b>516,415</b>	<b>2,030,664</b>
<b>(83,427)</b>	<b>833,365</b>	<b>(25,397)</b>	<b>(111,767)</b>	<b>(115,517)</b>	<b>441,589</b>
118,316	8,492	67,825	171,931	309,988	937,362
(32,574)	(820,142)	(17,692)	(49,511)	(209,739)	(1,360,595)
.....	.....	.....	.....	.....	483
.....	.....	(25,592)	.....	.....	(25,592)
.....	.....	.....	.....	1,403	1,403
<b>85,742</b>	<b>(811,650)</b>	<b>24,541</b>	<b>122,420</b>	<b>101,652</b>	<b>(446,939)</b>
<b>2,315</b>	<b>21,715</b>	<b>(856)</b>	<b>10,653</b>	<b>(13,865)</b>	<b>(5,350)</b>
150,309	35,089	56,117	19,874	190,452	683,997
343	122	212	(2)	864	2,595
150,652	35,211	56,329	19,872	191,316	686,592
.....	.....	.....	.....	.....	.....
.....	(542)	.....	.....	175	(389)
<b>\$ 152,967</b>	<b>\$ 56,384</b>	<b>\$ 55,473</b>	<b>\$ 30,525</b>	<b>\$ 177,626</b>	<b>\$ 680,853</b>

# EVERGLADES NATIONAL PARK 50<sup>th</sup> ANNIVERSARY 1947-1997

## COMMERATIVE POST CARD

Everglades National Park  
1947- 50<sup>th</sup> Anniversary - 1997

Walter A. Weber/National Geographic Image Collection



In companion events on December 5 and 6, 1947, a commemorative stamp was issued in Florida City and a dedication was held in Everglades City by President Harry Truman, establishing Everglades National Park, the nation's first to be recognized primarily for its biological significance.

Quotes from President Harry S. Truman at the Everglades National Park Dedication in 1947:

"Not often in these demanding days are we able to lay aside the problems of the time, and turn to a project whose great value lies in the enrichment of the human spirit. Today we make the achievement of another great conservation victory. We have permanently safeguarded an irreplaceable primitive area. We have assembled to dedicate to the use of all people for all time, the Everglades National Park."

"Here is land, tranquil in its quiet beauty.... To its natural abundance we owe the spectacular plant and animal life that distinguishes this place from all others in our country."



## *Capital Projects Funds*

The capital projects funds are maintained to account for financial resources to be used for the acquisition or construction of major capital facilities.

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# STATE OF FLORIDA

## COMBINING BALANCE SHEET - ALL CAPITAL PROJECTS FUNDS JUNE 30, 1998 (in thousands)

	Departments of				Children and Families
	<u>Environmental Protection</u>	<u>Agriculture</u>	<u>Education</u>	<u>Transportation</u>	
<b>ASSETS</b>					
Pooled investments with State Treasury	\$ 747	\$ 2,502	\$ 2,346	\$ 9,238	\$ 75
Receivables, net	.....	5	.....	70	.....
Due from other funds	49	3,374	2,062	3,847	.....
Advances to other funds	.....	.....	.....	21,930	.....
<b>TOTAL ASSETS</b>	<b>\$ 796</b>	<b>\$ 5,881</b>	<b>\$ 4,408</b>	<b>\$ 35,085</b>	<b>\$ 75</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ .....	\$ 89	\$ 91	\$ 11,103	\$ .....
Due to other funds	720	.....	.....	70	.....
Due to component units/primary	.....	.....	.....	.....	.....
Obligations under security lending agreements	38	131	123	485	5
Other liabilities	.....	.....	.....	.....	.....
<b>Total Liabilities</b>	<b>758</b>	<b>220</b>	<b>214</b>	<b>11,658</b>	<b>5</b>
Fund Balances:					
Reserved	.....	2,476	.....	19,500	.....
Unreserved	38	3,185	4,194	3,927	70
<b>Total Fund Balances</b>	<b>38</b>	<b>5,661</b>	<b>4,194</b>	<b>23,427</b>	<b>70</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 796</b>	<b>\$ 5,881</b>	<b>\$ 4,408</b>	<b>\$ 35,085</b>	<b>\$ 75</b>



Departments of					Totals	
<u>Military Affairs</u>	<u>Corrections</u>	<u>Management Services</u>	<u>Juvenile Justice</u>	<u>Other</u>	<u>6/30/98</u>	<u>6/30/97</u>
\$ .....	\$ .....	\$ 135	\$ 4,016	\$ 2,571	\$ 21,630	\$ 12,799
.....	2	1	128	.....	206	969
2,350	74,713	10,627	36,313	20,131	153,466	232,705
.....	.....	.....	.....	.....	21,930	.....
<b>\$ 2,350</b>	<b>\$ 74,715</b>	<b>\$ 10,763</b>	<b>\$ 40,457</b>	<b>\$ 22,702</b>	<b>\$ 197,232</b>	<b>\$ 246,473</b>
\$ .....	\$ 1,852	\$ 132	\$ 1,533	\$ 99	\$ 14,899	\$ 14,441
.....	.....	.....	116	17	923	668
.....	9	.....	1	.....	10	.....
.....	.....	7	211	135	1,135	1,062
1	.....	.....	.....	.....	1	43
<b>1</b>	<b>1,861</b>	<b>139</b>	<b>1,861</b>	<b>251</b>	<b>16,968</b>	<b>16,214</b>
.....	.....	85	33,718	317	56,096	94,676
2,349	72,854	10,539	4,878	22,134	124,168	135,583
<b>2,349</b>	<b>72,854</b>	<b>10,624</b>	<b>38,596</b>	<b>22,451</b>	<b>180,264</b>	<b>230,259</b>
<b>\$ 2,350</b>	<b>\$ 74,715</b>	<b>\$ 10,763</b>	<b>\$ 40,457</b>	<b>\$ 22,702</b>	<b>\$ 197,232</b>	<b>\$ 246,473</b>

# STATE OF FLORIDA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES ALL CAPITAL PROJECTS FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 1998 (in thousands)

	Departments of				Children and Families
	Environmental Protection	Agriculture	Education	Transportation	
<b>REVENUES</b>					
Fees and charges	\$ .....	\$ 506	\$ .....	\$ .....	\$ .....
Grants and donations	.....	.....	.....	.....	.....
Investment earnings	.....	51	.....	664	.....
Refunds	22	.....	.....	178	.....
<b>TOTAL REVENUES</b>	<b>22</b>	<b>557</b>	<b>.....</b>	<b>842</b>	<b>.....</b>
<b>EXPENDITURES</b>					
Current:					
Natural resources and environmental management	.....	.....	.....	.....	.....
Capital outlay	36,932	4,371	6,815	189,915	941
Debt service:					
Principal retirement	.....	.....	.....	.....	.....
Interest and fiscal charges	.....	.....	.....	12	.....
<b>TOTAL EXPENDITURES</b>	<b>36,932</b>	<b>4,371</b>	<b>6,815</b>	<b>189,927</b>	<b>941</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(36,910)</b>	<b>(3,814)</b>	<b>(6,815)</b>	<b>(189,085)</b>	<b>(941)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	224,093	5,697	5,696	252,604	49
Operating transfers out	(219,919)	(15)	.....	(48,883)	(725)
Transfers out to component units/primary	(24)	.....	.....	.....	.....
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>4,150</b>	<b>5,682</b>	<b>5,696</b>	<b>203,721</b>	<b>(676)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>(32,760)</b>	<b>1,868</b>	<b>(1,119)</b>	<b>14,636</b>	<b>(1,617)</b>
Fund Balances, July 1	75,902	3,791	5,313	5,168	1,687
Adjustments to increase (decrease) beginning fund balances	.....	2	.....	3,623	.....
Fund Balances, July 1, as restated	75,902	3,793	5,313	8,791	1,687
Residual Equity Transfers	(43,104)	.....	.....	.....	.....
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 38</b>	<b>\$ 5,661</b>	<b>\$ 4,194</b>	<b>\$ 23,427</b>	<b>\$ 70</b>

Departments of					Totals	
<u>Military Affairs</u>	<u>Corrections</u>	<u>Management Services</u>	<u>Juvenile Justice</u>	<u>Other</u>	<u>6/30/98</u>	<u>6/30/97</u>
\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ 506	\$ 992
.....	.....	.....	.....	1,648	1,648	814
.....	.....	17	.....	.....	732	543
.....	.....	.....	.....	.....	200	1,625
.....	.....	17	.....	1,648	3,086	3,974
.....	.....	.....	.....	.....	.....	22
559	32,120	4,227	32,945	13,073	321,898	312,265
.....	3,940	.....	.....	.....	3,940	.....
.....	6,398	.....	.....	.....	6,410	8
559	42,458	4,227	32,945	13,073	332,248	312,295
(559)	(42,458)	(4,210)	(32,945)	(11,425)	(329,162)	(308,321)
1,340	14,762	5,427	51,323	32,338	593,329	529,355
.....	.....	(3,172)	(1,945)	(2)	(274,661)	(218,691)
.....	.....	.....	.....	.....	(24)	(1,505)
1,340	14,762	2,255	49,378	32,336	318,644	309,159
781	(27,696)	(1,955)	16,433	20,911	(10,518)	838
1,568	100,550	12,577	22,163	1,540	230,259	229,074
.....	.....	2	.....	.....	3,627	.....
1,568	100,550	12,579	22,163	1,540	233,886	229,074
.....	.....	.....	.....	.....	(43,104)	347
\$ 2,349	\$ 72,854	\$ 10,624	\$ 38,596	\$ 22,451	\$ 180,264	\$ 230,259

## THREATENED AND ENDANGERED SPECIES THAT INHABIT THE EVERGLADES

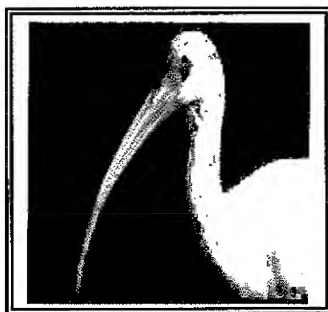
The Everglades provides a sanctuary as well as a breeding ground for many species of wading birds and other animals. Shown below are some of the threatened and endangered species that inhabit the Everglades. **Endangered:** A species, subspecies or isolated population that is, or soon may be, in immediate danger of extinction unless the species or its habitat is fully protected and managed for its survival. **Threatened:** A species, subspecies or isolated population that is very likely to become endangered in the near future unless the species or its habitat is fully protected and managed for its survival.



The Snowy Egret (*Leucophoxy thula*) lives along the edges of both fresh and saltwater wetlands. When feeding, they're often seen rushing about the shallow water with wings partly extended. They shuffle their feet to stir up the bottom and frighten prey into the open. The Snowy Egret usually nests in colonies, which sometimes consist of thousands of birds, though some prefer to nest alone. The nest is five to ten feet above ground, in a shrub or tree. The male and female build and defend the nest together.

The long plumes (feathers) of the Snowy Egret are only grown during nesting. During the 1800s hat craze, their feathers were worth their weight in gold. Once hunted to the brink of extinction for their plumes, the Snowy Egret has made a partial comeback and lives relatively undisturbed in the Everglades with other rare and unique birds.

The Roseate Spoonbill (*Ajaia ajaia*) is a very social bird, which hunts day or night in flocks and nests in colonies of several hundred pair. They are the only spoonbills found in the New World. The rare Roseate Spoonbill was almost hunted to extinction during the 1800s when the pink feathers were used in making ladies' hats. The prized pink feathers are the result of a diet high in shrimp. Today, the spoonbill is making a comeback and can be seen fairly often throughout the Everglades. The establishment of the Everglades National Park in 1947 seemed to have a positive effect on the South Florida's spoonbill population.



The White Ibis (*Eudocimus albus*) is mostly white with some gray or black on the tips of its feathers. It has a curved beak and orange-colored legs. The White Ibis is a wading bird that searches for its food in the shallow waters of the Everglades. It is a touch-feeder and moves its curved beak back and forth waiting for a fish to swim by to catch. The most important fact about the White Ibis is that it is an endangered bird. It breeds in Florida marshes during the months of March and April. It can live in different habitats, from cypress swamps to hardwood hammocks to wet prairies. As long as it is near fresh water for its source of food, it can survive; however, pollution and draining of the Everglades have endangered its presence there.

Another endangered animal that makes its home in the Everglades is the Florida Panther (*Felis concolor coryi*). The 30 to 50 remaining in southern Florida are the last panthers in existence in the state. The panther has become one of the most endangered animals in the world. Because the big cats need an extensive hunting territory, they are especially hard hit by loss of habitat. In recent years, they have received a great deal of attention from concerned groups and individuals to save this beautiful cat from extinction. The Florida Panther was designated as the official mammal of the State of Florida in 1982.



## ***Debt Service Fund***

The debt service fund is maintained to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

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# STATE OF FLORIDA

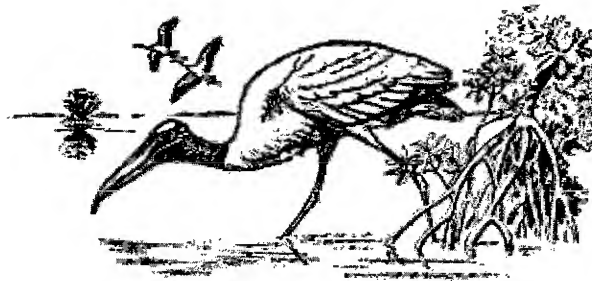
## BALANCE SHEET - DEBT SERVICE FUND JUNE 30, 1998 (in thousands)

	Totals	
	<u>6/30/98</u>	<u>6/30/97</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 6,627	\$ 225
Investments	287,125	268,763
Receivables, net	3,561	3,732
Due from other funds	2,647	2,489
<b>TOTAL ASSETS</b>	<b>\$ 299,960</b>	<b>\$ 275,209</b>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 501	\$ 467
Other liabilities	1,386	1,354
<b>Total Liabilities</b>	<b>1,887</b>	<b>1,821</b>
Fund Balances:		
Reserved	298,073	273,388
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 299,960</b>	<b>\$ 275,209</b>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**DEBT SERVICE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**  
(in thousands)

	Totals	
	<u>6/30/98</u>	<u>6/30/97</u>
<b>REVENUES</b>		
Fees and charges	\$ 54,881	\$ 53,109
Investment earnings	25,974	21,598
Other	58	36,723
<b>TOTAL REVENUES</b>	<u>80,913</u>	<u>111,430</u>
<b>EXPENDITURES</b>		
Current:		
Governmental direction and support services	19,370	60,166
Debt service:		
Principal retirement	312,053	262,850
Interest and fiscal charges	575,360	526,477
<b>TOTAL EXPENDITURES</b>	<u>906,783</u>	<u>849,493</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(825,870)</u>	<u>(738,063)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Proceeds of bond issues	37,122	33,983
Proceeds of refunding bonds	438,329	217,245
Operating transfers in	814,339	720,667
Operating transfers out	(2,376)	(1,890)
Payments to refunded bond agent	(438,329)	(217,245)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>849,085</u>	<u>752,760</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<u>23,215</u>	<u>14,697</u>
Fund Balance, July 1	273,388	258,691
Adjustments to increase (decrease) beginning fund balances	1,470	.....
Fund Balances, July 1, as restated	<u>274,858</u>	<u>258,691</u>
<b>FUND BALANCE, JUNE 30</b>	<u>\$ 298,073</u>	<u>\$ 273,388</u>





## **WOOD STORK**

Species: "Mycteria americana"

### **Reproduction Cycle:**

The wood stork usually nests in large rookeries. First breeding usually occurs at 4 years of age. Nests are frequently located in the upper branches of large cypress trees or in mangrove trees on islands. There may be several nests located in each tree. Under good conditions, wood storks lay two to five eggs and average two fledglings per nest. The eggs usually incubate for twenty-eight to thirty-two days. When the baby storks are about eight or nine weeks old they learn to fly and leave the nest.

## *Enterprise Funds*

The enterprise funds are used to account for operations that provide goods or services to the general public on a user charge basis, similar to private business enterprises.

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### **Department of the Lottery**

*Administrative Trust Fund* - This fund accounts for the operations of the State lottery as authorized by s. 15, Article X of the State Constitution.

### **Department of State**

*Publications Revolving Trust Fund* - The Department publishes The Florida Administrative Weekly and The Florida Administrative Code and accounts for these activities in this fund.

### **Department of Community Affairs**

*Florida Housing and Finance Agency Trust Funds* - These funds were established to provide management and accounting controls over the issuance of revenue notes and bonds which provide loans to achieve the low-income and/or housing rehabilitation purpose of Chapter 420, Florida Statutes.

### **Department of Transportation**

*Department of Transportation Turnpike, Expressway and Bridge Toll Funds* - Revenues from the various toll roads, bridges and expressways fund the operations of these facilities and provide for the debt service payment requirements.

### **Department of Labor and Employment Security**

*Business Enterprises Vending Facilities* - This fund accounts for the vending machine and canteen operations of the Division of Blind Services.

### **Department of Children and Families, Department of Corrections and Department of Juvenile Justice**

*The Welfare Trust Funds* of these departments are canteen-type operations.

# STATE OF FLORIDA

## COMBINING BALANCE SHEET - ALL ENTERPRISE FUNDS JUNE 30, 1998 (in thousands)

	Departments of				
	<u>Lottery</u>	<u>State</u>	<u>Community Affairs</u>	<u>Labor and Employment Security</u>	<u>Transportation</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 19,595	\$ .....	\$ .....	\$ 462	\$ 4,356
Pooled investments with State Treasury	57,667	337	.....	1	259,882
Investments	3,295,013	.....	.....	.....	.....
Receivables, net	22,505	7	.....	38	3,863
Due from other funds	.....	10	.....	774	54,145
Due from component units/primary	.....	.....	.....	.....	340
Advances to other funds	.....	.....	.....	.....	67,962
Inventories	922	.....	.....	647	.....
Loans and notes receivable, net	.....	.....	.....	.....	.....
Restricted cash and cash equivalents	.....	.....	.....	.....	395,333
Restricted investments	.....	.....	.....	.....	73,489
Deferred fiscal charges and other assets	2,148	.....	.....	.....	15,107
Land	.....	.....	.....	.....	512,129
Buildings and improvements	.....	.....	.....	1,837	2,124,876
Furniture and equipment	25,168	297	.....	7,012	10,366
Construction in progress	.....	.....	.....	.....	584,561
Accumulated depreciation	(20,017)	(171)	.....	(6,013)	(44,047)
<b>TOTAL ASSETS</b>	<b>\$ 3,403,001</b>	<b>\$ 480</b>	<b>\$ .....</b>	<b>\$ 4,758</b>	<b>\$ 4,062,362</b>
<b>LIABILITIES AND FUND EQUITY</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 2,053,835	\$ 2	\$ .....	\$ 141	\$ 36,551
Due to other funds	49,487	125	.....	774	21,058
Due to component units/primary	14	.....	.....	.....	.....
Advances from other funds	.....	.....	.....	.....	184,398
Bonds payable	.....	.....	.....	.....	1,714,247
Deferred revenues	.....	.....	.....	.....	4,190
Payable from restricted assets	.....	.....	.....	.....	28,853
Compensated absences	4,145	36	.....	.....	.....
Obligations under security lending agreements	1,059,401	18	.....	.....	34,502
Other liabilities	8,878	.....	.....	.....	.....
<b>Total Liabilities</b>	<b>3,175,760</b>	<b>181</b>	<b>.....</b>	<b>915</b>	<b>2,023,799</b>
Fund Equity:					
Contributed capital	.....	.....	.....	.....	160,296
Retained Earnings:	.....	.....	.....	.....	.....
Reserved	6,123	.....	.....	.....	439,969
Unreserved	221,118	299	.....	3,843	1,438,298
<b>Total Fund Equity</b>	<b>227,241</b>	<b>299</b>	<b>.....</b>	<b>3,843</b>	<b>2,038,563</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 3,403,001</b>	<b>\$ 480</b>	<b>\$ .....</b>	<b>\$ 4,758</b>	<b>\$ 4,062,362</b>

# STATE OF FLORIDA

Departments of					Totals	
Children and Families	Military Affairs	Health	Corrections	Juvenile Justice	6/30/98	6/30/97
\$ 1,275	\$ 128	\$ 125	\$ 2,542	\$ 179	\$ 28,662	\$ 40,119
1,282	.....	181	16,135	.....	335,485	329,106
.....	.....	2	6	.....	3,295,021	2,874,587
100	.....	.....	2,384	.....	28,897	577,416
.....	.....	.....	1,373	.....	56,302	72,253
.....	.....	.....	.....	.....	340	886
.....	.....	.....	.....	.....	67,962	67,962
100	.....	.....	1,672	3	3,344	5,289
.....	.....	.....	7	.....	7	1,462,255
.....	.....	.....	.....	.....	395,333	157,304
.....	.....	.....	.....	.....	73,489	1,423,244
.....	.....	.....	.....	.....	17,255	31,083
.....	.....	.....	.....	.....	512,129	425,659
85	.....	.....	2,287	.....	2,129,085	2,158,574
1,333	.....	5	4,672	.....	48,853	55,634
.....	.....	.....	.....	.....	584,561	535,134
(894)	.....	(4)	(4,379)	.....	(75,525)	(81,006)
<b>\$ 3,281</b>	<b>\$ 128</b>	<b>\$ 309</b>	<b>\$ 26,699</b>	<b>\$ 182</b>	<b>\$ 7,501,200</b>	<b>\$ 10,135,499</b>
\$ .....	\$ .....	\$ .....	\$ 1,032	\$ .....	\$ 2,091,561	\$ 2,054,293
11	.....	.....	1,696	.....	73,151	96,737
.....	.....	.....	259	.....	273	.....
.....	.....	.....	.....	.....	184,398	260,322
.....	.....	.....	.....	.....	1,714,247	3,858,955
.....	.....	.....	4	.....	4,194	5,477
.....	.....	.....	.....	.....	28,853	116,654
.....	.....	.....	5	.....	4,186	4,342
65	.....	10	848	.....	1,094,844	1,494,238
.....	.....	.....	.....	.....	8,878	8,212
<b>76</b>	<b>.....</b>	<b>10</b>	<b>3,844</b>	<b>.....</b>	<b>5,204,585</b>	<b>7,899,230</b>
.....	.....	.....	1	.....	160,297	158,926
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	470	.....	446,562	253,328
3,205	128	299	22,384	182	1,689,756	1,824,015
<b>3,205</b>	<b>128</b>	<b>299</b>	<b>22,855</b>	<b>182</b>	<b>2,296,615</b>	<b>2,236,269</b>
<b>\$ 3,281</b>	<b>\$ 128</b>	<b>\$ 309</b>	<b>\$ 26,699</b>	<b>\$ 182</b>	<b>\$ 7,501,200</b>	<b>\$ 10,135,499</b>

# STATE OF FLORIDA

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS ALL ENTERPRISE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 1998 (in thousands)

	Departments of				
	Lottery	State	Community Affairs	Labor and Employment Security	Transportation
<b>OPERATING REVENUES</b>					
Sales -- state	\$ .....	\$ 445	\$ .....	\$ .....	\$ .....
Sales -- nonstate	2,057,372	63	4,237	432	327,132
Rents -- state	.....	.....	.....	.....	.....
Rents and royalties -- nonstate	.....	.....	.....	.....	7,087
Program interest	.....	.....	41,779	.....	.....
Other	.....	.....	819	566	301
<b>TOTAL OPERATING REVENUES</b>	<b>2,057,372</b>	<b>508</b>	<b>46,835</b>	<b>998</b>	<b>334,520</b>
<b>OPERATING EXPENSES</b>					
Personal services	30,691	315	920	.....	29,175
Contractual services	198,741	2	2,543	2	70,699
Materials and supplies	9,238	64	5,065	211	9,645
Bad debt	196	.....	2,890	.....	3
Depreciation	3,003	36	.....	263	5,331
Interest and fiscal charges	.....	.....	176	.....	.....
Repairs and maintenance	.....	6	.....	3	.....
Cost of goods sold	1,763	.....	.....	.....	.....
Payment of lottery winnings	1,021,560	.....	.....	.....	.....
<b>TOTAL OPERATING EXPENSES</b>	<b>1,265,192</b>	<b>423</b>	<b>11,594</b>	<b>479</b>	<b>114,853</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>792,180</b>	<b>85</b>	<b>35,241</b>	<b>519</b>	<b>219,667</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Grants and contributions	.....	.....	13,401	.....	266
Investment earnings	320,009	5	63,801	4	20,416
Interest and fiscal charges	(52,438)	.....	(76,269)	.....	(49,332)
Amortization	(141,491)	.....	(723)	.....	(1,115)
Property disposition gain/(loss)	38	(7)	(824)	.....	(5,125)
Escrow distribution	.....	.....	.....	.....	(25,556)
Grant expense and client benefits	.....	.....	(49,434)	.....	.....
Other	291	.....	(321)	.....	300
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>126,409</b>	<b>(2)</b>	<b>(50,369)</b>	<b>4</b>	<b>(60,146)</b>
<b>INCOME/(LOSS) BEFORE OPERATING TRANSFERS</b>	<b>918,589</b>	<b>83</b>	<b>(15,128)</b>	<b>523</b>	<b>159,521</b>
Operating transfers in	86	.....	78,150	.....	1,181,130
Operating transfers out	(802,346)	(92)	(18,081)	(995)	(1,212,284)
Transfers in from component units/primary	.....	.....	.....	.....	50,771
Transfers out to component units/primary	.....	.....	(373,008)	.....	(3,561)
<b>NET INCOME/(LOSS)</b>	<b>116,329</b>	<b>(9)</b>	<b>(328,067)</b>	<b>(472)</b>	<b>175,577</b>
Retained Earnings, July 1	6,124	308	334,393	9,642	1,701,912
Adjustments to increase (decrease) beginning retained earnings	104,788	.....	(6,326)	(5,327)	778
Retained Earnings, July 1, as restated	110,912	308	328,067	4,315	1,702,690
<b>RETAINED EARNINGS, JUNE 30</b>	<b>\$ 227,241</b>	<b>\$ 299</b>	<b>\$ .....</b>	<b>\$ 3,843</b>	<b>\$ 1,878,267</b>

Departments of					Totals	
Children and Families	Military Affairs	Health	Corrections	Juvenile Justice	6/30/98	6/30/97
\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ 445	\$ 442
3,179	.....	.....	47,707	149	2,440,271	2,464,107
.....	22	.....	.....	.....	22	9
.....	327	.....	.....	.....	7,414	7,182
.....	.....	.....	.....	.....	41,779	81,457
.....	.....	.....	.....	.....	1,686	6,513
<b>3,179</b>	<b>349</b>	<b>.....</b>	<b>47,707</b>	<b>149</b>	<b>2,491,617</b>	<b>2,559,710</b>
645	.....	8	5,126	.....	66,880	76,312
405	109	39	.....	22	272,562	271,532
490	188	8	966	1	25,876	34,429
.....	.....	.....	.....	.....	3,089	8,818
107	.....	.....	667	.....	9,407	9,097
.....	71	.....	.....	.....	247	327
4	12	.....	.....	.....	25	14
1,646	.....	.....	21,078	.....	24,487	42,547
.....	.....	.....	.....	.....	1,021,560	1,026,985
<b>3,297</b>	<b>380</b>	<b>55</b>	<b>27,837</b>	<b>23</b>	<b>1,424,133</b>	<b>1,470,061</b>
<b>(118)</b>	<b>(31)</b>	<b>(55)</b>	<b>19,870</b>	<b>126</b>	<b>1,067,484</b>	<b>1,089,649</b>
1,415	.....	157	14	15	15,268	30,902
105	1	3	1,120	1	405,465	178,615
.....	.....	.....	.....	.....	(178,039)	(273,158)
.....	.....	.....	.....	.....	(143,329)	(1,057)
(13)	.....	.....	(854)	.....	(6,785)	(91,297)
.....	.....	.....	.....	.....	(25,556)	(17,898)
(1,125)	.....	(8)	(16,048)	(50)	(66,665)	(109,215)
(245)	.....	.....	20	.....	45	757
<b>137</b>	<b>1</b>	<b>152</b>	<b>(15,748)</b>	<b>(34)</b>	<b>404</b>	<b>(282,351)</b>
19	(30)	97	4,122	92	1,067,888	807,298
12	.....	187	12,877	.....	1,272,442	353,425
(187)	.....	(12)	(15,535)	.....	(2,049,532)	(1,055,368)
.....	.....	.....	.....	.....	50,771	.....
.....	.....	.....	.....	.....	(376,569)	(39,478)
<b>(156)</b>	<b>(30)</b>	<b>272</b>	<b>1,464</b>	<b>92</b>	<b>(35,000)</b>	<b>65,877</b>
3,361	158	27	21,328	90	2,077,343	2,012,488
.....	.....	.....	62	.....	93,975	(1,022)
<b>3,361</b>	<b>158</b>	<b>27</b>	<b>21,390</b>	<b>90</b>	<b>2,171,318</b>	<b>2,011,466</b>
<b>\$ 3,205</b>	<b>\$ 128</b>	<b>\$ 299</b>	<b>\$ 22,854</b>	<b>\$ 182</b>	<b>\$ 2,136,318</b>	<b>\$ 2,077,343</b>

# STATE OF FLORIDA

## COMBINING STATEMENT OF CASH FLOWS ALL ENTERPRISE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 1998 (in thousands)

	Departments of				
			Labor and		
			Community Employment		
	Lottery	State	Affairs	Security	Transportation
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash from customers and users	\$ 2,055,112	\$ 531	\$ 90,161	\$ 1,390	\$ 334,617
Cash paid to suppliers and vendors	(207,381)	(81)	(7,514)	(959)	(78,092)
Cash paid to employees	(30,609)	(307)	(1,132)	(368)	(27,894)
Cash paid for insurance claims	.....	.....	.....	.....	(4,085)
Cash paid for lottery prizes	(1,030,164)	.....	.....	.....	.....
Cash paid for housing loans issued	.....	.....	(152,702)	.....	.....
Cash paid for client benefits	.....	.....	(56,654)	(77)	.....
<b>NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES</b>	<b>786,958</b>	<b>143</b>	<b>(127,841)</b>	<b>(14)</b>	<b>224,546</b>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in from other funds	.....	.....	85,596	3,186	34,233
Advances from other funds	.....	.....	.....	.....	.....
Transfers out to other funds	(811,298)	(3)	(108,123)	(1,015)	(47,321)
Advances to other funds	.....	.....	.....	.....	.....
Payment of bonds and loans	.....	.....	(236,416)	.....	.....
Bond proceeds from loan program	.....	.....	180,490	.....	5
Donations	.....	.....	.....	.....	.....
<b>NET CAPITAL PROVIDED/(USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>(811,298)</b>	<b>(3)</b>	<b>(78,453)</b>	<b>2,171</b>	<b>(13,083)</b>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from sale of fixed assets	38	.....	.....	.....	.....
Proceeds from sale of bonds	.....	.....	.....	.....	628,992
Payment of bonds and loans	.....	.....	.....	.....	(222,457)
Principal on installment purchases/leases	.....	.....	.....	.....	(6,675)
Payment of interest	.....	.....	.....	.....	(91,303)
Purchase or construction of fixed assets	(2,031)	.....	.....	(2,206)	(285,522)
<b>NET CASH PROVIDED/(USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(1,993)</b>	<b>.....</b>	<b>.....</b>	<b>(2,206)</b>	<b>23,035</b>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Sale or maturity of investments	216,942	.....	861,332	.....	162,968
Interest received	12,286	23	47,673	.....	65,727
Purchase of investments	(209,538)	.....	(789,745)	.....	(140,551)
<b>NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES</b>	<b>19,690</b>	<b>23</b>	<b>119,260</b>	<b>.....</b>	<b>88,144</b>
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(6,643)</b>	<b>163</b>	<b>(87,034)</b>	<b>(49)</b>	<b>322,642</b>
Cash and cash equivalents, July 1	83,905	174	87,034	512	336,929
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<b>\$ 77,262</b>	<b>\$ 337</b>	<b>\$ .....</b>	<b>\$ 463</b>	<b>\$ 659,571</b>



## Departments of

<u>Children and Families</u>	<u>Military Affairs</u>	<u>Health</u>	<u>Corrections</u>	<u>Juvenile Justice</u>	<u>Total 6/30/98</u>	<u>6/30/97</u>
\$ 3,188	\$ 347	\$ .....	\$ 47,752	\$ 152	\$ 2,533,250	\$ 2,674,590
(2,410)	(379)	(12)	(33,832)	(11)	(330,671)	(509,086)
(509)	.....	.....	(5,000)	(24)	(65,843)	(88,417)
.....	.....	.....	.....	.....	(4,085)	(1,053,955)
.....	.....	.....	.....	.....	(1,030,164)	(244,404)
.....	.....	.....	.....	.....	(152,702)	(11,946)
(1,498)	.....	(48)	.....	(38)	(58,315)	.....
<b>(1,229)</b>	<b>(32)</b>	<b>(60)</b>	<b>8,920</b>	<b>79</b>	<b>891,470</b>	<b>766,782</b>
121	.....	212	9,603	.....	132,951	483,202
.....	.....	2	.....	.....	2	60,710
(226)	.....	(3)	(15,342)	.....	(983,331)	(1,134,808)
.....	.....	.....	.....	.....	.....	(50,443)
.....	.....	.....	.....	.....	(236,416)	(302,041)
2	.....	.....	.....	.....	180,497	527,920
1,053	.....	118	7	12	1,190	548
<b>950</b>	<b>.....</b>	<b>329</b>	<b>(5,732)</b>	<b>12</b>	<b>(905,107)</b>	<b>(414,912)</b>
2	.....	.....	.....	.....	40	456
.....	.....	.....	.....	.....	628,992	.....
.....	.....	.....	.....	.....	(222,457)	(112,176)
.....	.....	.....	.....	.....	(6,675)	.....
.....	.....	.....	.....	.....	(91,303)	(86,450)
(83)	.....	.....	(1,304)	.....	(291,146)	(213,931)
<b>(81)</b>	<b>.....</b>	<b>.....</b>	<b>(1,304)</b>	<b>.....</b>	<b>17,451</b>	<b>(412,101)</b>
.....	.....	.....	.....	.....	1,241,242	953,896
156	1	12	1,850	1	127,729	121,913
.....	.....	.....	.....	.....	(1,139,834)	(1,123,698)
<b>156</b>	<b>1</b>	<b>12</b>	<b>1,850</b>	<b>1</b>	<b>229,137</b>	<b>(47,889)</b>
<b>(204)</b>	<b>(31)</b>	<b>281</b>	<b>3,734</b>	<b>92</b>	<b>232,951</b>	<b>(108,120)</b>
2,761	159	25	14,943	87	526,529	634,649
<b>\$ 2,557</b>	<b>\$ 128</b>	<b>\$ 306</b>	<b>\$ 18,677</b>	<b>\$ 179</b>	<b>\$ 759,480</b>	<b>\$ 526,529</b>

# STATE OF FLORIDA

## COMBINING STATEMENT OF CASH FLOWS ALL ENTERPRISE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 1998 (in thousands)

### RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	Departments of				
			Community	Labor and	
	Lottery	State	Affairs	Employment	Transportation
				Security	
OPERATING INCOME/(LOSS)	\$ 792,180	\$ 85	\$ 35,241	\$ 519	\$ 219,667
Adjustment to reconcile operating income to net cash provided/(used) by operating activities:					
Depreciation and amortization expense	3,003	36	.....	263	5,331
(Increase)/decrease in accounts receivable	(1,737)	3	(165,647)	302	1,888
(Increase)/decrease in due from other funds	.....	19	.....	(1,031)	.....
Increase/(decrease) in allowance for uncollectibles	(656)	(1)	.....	.....	.....
(Increase)/decrease in inventories	1,697	.....	.....	227	.....
Increase/(decrease) in accounts payable	4,955	.....	4,586	138	7,469
Increase/(decrease) in compensated absences	178	1	.....	.....	.....
Increase/(decrease) in due to other funds	(7,705)	.....	.....	(432)	(12,208)
Increase/(decrease) in deferred revenues	.....	.....	.....	.....	2,399
Collection of the loan program	.....	.....	.....	.....	.....
Loan program interest	.....	.....	54,633	.....	.....
Cash used for client benefits	.....	.....	(56,654)	.....	.....
Decrease in prize liability	(4,957)	.....	.....	.....	.....
<b>NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES</b>	<b>\$ 786,958</b>	<b>\$ 143</b>	<b>\$ (127,841)</b>	<b>\$ (14)</b>	<b>\$ 224,546</b>

### NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Capital appreciation	\$	.....	\$	.....	\$	1,486	\$	.....	\$	.....
Distributions/transfers in of fixed assets	\$	.....	\$	.....	\$	.....	\$	.....	\$	1,679

Departments of						
Children and Families	Military Affairs	Health	Corrections	Juvenile Justice	Totals 6/30/98	Totals 6/30/97
\$ (118)	\$ (31)	\$ (55)	\$ 19,870	\$ 126	\$ 1,067,484	\$ 1,089,649
107	.....	.....	667	.....	9,407	9,095
(89)	.....	.....	(23)	.....	(165,303)	(264,970)
.....	.....	.....	4,075	.....	3,063	(13,826)
.....	.....	.....	.....	.....	(657)	8,719
.....	.....	.....	(1)	.....	1,923	2,632
.....	(1)	.....	22	.....	17,169	(34,631)
.....	.....	.....	5	.....	184	694
.....	.....	.....	349	.....	(19,996)	(310)
.....	.....	.....	4	.....	2,403	1,871
.....	.....	.....	.....	.....	.....	(184)
.....	.....	.....	.....	.....	54,633	76,331
(1,129)	.....	(5)	(16,048)	(47)	(73,883)	(108,288)
.....	.....	.....	.....	.....	(4,957)	.....
<u>\$ (1,229)</u>	<u>\$ (32)</u>	<u>\$ (60)</u>	<u>\$ 8,920</u>	<u>\$ 79</u>	<u>\$ 891,470</u>	<u>\$ 766,782</u>

\$	.....	\$	.....	\$	.....	\$	.....	\$	1,486	\$	130,600
\$	.....	\$	.....	\$	.....	\$	.....	\$	1,679	\$	.....

## WHAT DOES THE FUTURE HOLD FOR THE EVERGLADES?

"There are no other Everglades in the World."

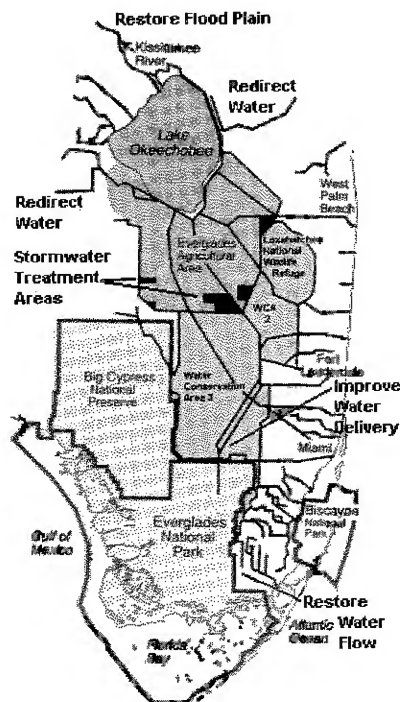
--Marjory Stoneman Douglas in  
The Everglades: River of Grass

Everglades National Park combines a subtropical climate; a broad, shallow river; and a stunning diversity of plants and animals into a complex, fragile ecosystem (the complex of a community and its environment functioning as an ecological unit in nature). Due to its uniqueness and in recognition of its significance to all the peoples of the world, it has been designated an International Biosphere Reserve, a World Heritage Site, and a wetland of International Importance. It is regarded by scientists as one of the greatest wonders of the world.

Previously it was thought that islands of land could be preserved by simply drawing national park boundaries. Today, it is clear that this is untrue. National parks are not islands. They are greatly impacted by what happens outside their boundaries. **Today, the Everglades is an ecosystem in danger.** This rare ecosystem is threatened with extinction. Canals and levees capture and divert its water for human needs, including drinking water, irrigation and flood control. Often, too much water is withheld from the Everglades during the dry season, or too much is diverted into it during the wet season, disrupting the natural cycles of feeding and nesting. Sometimes the water is contaminated by pollutants. The slow but steady intrusion of saltwater from the Gulf of Mexico is reaching farther inland than ever before. These conditions are challenging and altering the Everglades' delicate ecological balance. Faced with loss of habitat, disruption of water flow, and the invasion of non-native species, many animals have declined dramatically in number. Some have virtually disappeared.

Fortunately in recent years, awareness has grown about the threats to the Everglades and the importance of reaching a resolution. Major efforts are underway to restore the natural flow of water through the "river of grass." Today there is strong support among top elected officials to end the ecological decline of the Everglades. A recently created Federal Task Force on South Florida Ecosystem Restoration is examining ways to restore the Everglades system. In Florida, this task force established an active working group composed of eleven federal agencies. The working group released a 128-page annual report for public comment in August 1994. The report included recommendations for achieving sustainable development, agency coordination and major improvements in the functioning of natural systems throughout the Everglades ecosystem.

In conjunction with the Task Force, the U.S. Army Corp of Engineers, the federal agency charged most directly with water management in south Florida, has developed far-sighted proposals to restore the Everglades. Working closely with the Corps is the South Florida Water Management District, the state organization responsible for regional water control in south Florida. All of the organizations mentioned above are collectively working to balance recovery of natural areas with South Florida's many other needs.



Maintaining harmony between "20<sup>th</sup> century progress" and wilderness areas requires research, legislation and public awareness. Through coordinated research, decision-making, and implementation of huge restoration measures, the Everglades can be saved. Collaboration of efforts on such a grand scale is unprecedented in our nation. The very future of Florida, including our developed and wild areas, may depend upon the success of these efforts.

## *Internal Service Funds*

The internal service funds are used to account for the financing of goods or services by one department to other departments of the government on a cost-reimbursement basis.

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### **Department of Insurance**

*The Florida Casualty Insurance Risk Management Trust Fund and the Florida Fire Insurance Trust Fund* - These funds account for the self-insurance programs of the State.

### **Department of Banking and Finance**

*The Consolidated Payment Trust Fund* - This fund accounts for the certificates of participation sold to finance the purchase of eligible equipment used by State agencies.

### **Department of Children and Families**

*Working Capital Trust Fund* - This fund accounts for the Department of Children and Families' data center.

### **Department of Management Services**

*State Employees Health Insurance Trust Fund* - Both employee and employer contributions are recorded in this fund for the various health plans available to State employees. Disbursements are payments to the providers of these plans.

Services such as motor pools, telephones, communications and building supervision are also accounted for in the funds of the Department of Management Services.

Most of the other internal service funds record the activities of various departmental data centers.

# STATE OF FLORIDA

## COMBINING BALANCE SHEET - ALL INTERNAL SERVICE FUNDS JUNE 30, 1998 (in thousands)

	Departments of				
	<u>Environmental Protection</u>	<u>Banking and Finance</u>	<u>State</u>	<u>Insurance</u>	<u>Education</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ .....	\$ 17	\$ 1	\$ 1,804	\$ .....
Pooled investments with State Treasury	1,406	957	389	19,811	464
Investments	.....	1,617	.....	.....	.....
Receivables, net	2	21	39	572	5
Due from other funds	1	.....	68	3,353	281
Due from component units/primary	.....	.....	.....	.....	.....
Inventories	.....	.....	17	.....	31
Deferred fiscal charges and other assets	.....	.....	.....	.....	.....
Buildings and improvements	.....	.....	.....	.....	.....
Furniture and equipment	2,641	.....	721	606	2,535
Construction in progress	.....	.....	.....	.....	.....
Accumulated depreciation	(1,602)	.....	(542)	(372)	(1,445)
<b>TOTAL ASSETS</b>	<b>\$ 2,448</b>	<b>\$ 2,612</b>	<b>\$ 693</b>	<b>\$ 25,774</b>	<b>\$ 1,871</b>
<b>LIABILITIES AND FUND EQUITY</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 101	\$ 9	\$ 31	\$ 592,698	\$ 6
Due to other funds	585	.....	33	9	.....
Advances from other funds	.....	.....	.....	.....	.....
Bonds payable	.....	.....	.....	.....	.....
Certificates of participation payable	.....	.....	.....	.....	.....
Notes and leases payable	.....	.....	.....	.....	.....
Deferred revenues	.....	.....	.....	.....	.....
Compensated absences	347	.....	61	444	260
Obligations under security lending agreements	74	50	20	1,041	24
Other liabilities	.....	.....	.....	.....	.....
<b>Total Liabilities</b>	<b>1,107</b>	<b>59</b>	<b>145</b>	<b>594,192</b>	<b>290</b>
Fund Equity:					
Contributed capital	1,065	.....	.....	.....	162
Retained Earnings:					
Unreserved	276	2,553	548	(568,418)	1,419
<b>Total Fund Equity</b>	<b>1,341</b>	<b>2,553</b>	<b>548</b>	<b>(568,418)</b>	<b>1,581</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 2,448</b>	<b>\$ 2,612</b>	<b>\$ 693</b>	<b>\$ 25,774</b>	<b>\$ 1,871</b>

Departments of					Totals	
<u>Labor and Employment Security</u>	<u>Children and Families</u>	<u>Management Services</u>	<u>Revenue</u>	<u>Highway Safety and Motor Vehicles</u>	<u>6/30/98</u>	<u>6/30/97</u>
\$ .....	\$ .....	\$ 14,796	\$ .....	\$ 24	\$ 16,642	\$ 9,689
2,740	2,019	117,211	4,714	4,881	154,592	147,095
.....	.....	42,905	.....	.....	44,522	45,808
.....	.....	16,389	.....	19	17,047	12,547
187	5,863	8,595	.....	.....	18,348	30,143
.....	.....	42	.....	.....	42	121
258	.....	223	.....	.....	529	615
.....	.....	.....	.....	235	235	496
.....	.....	659,448	.....	327	659,775	535,226
21,130	132,737	28,769	6,849	35,755	231,743	315,658
.....	.....	10,273	.....	.....	10,273	13,730
(16,027)	(95,612)	(133,995)	(4,298)	(23,705)	(277,598)	(266,351)
<b>\$ 8,288</b>	<b>\$ 45,007</b>	<b>\$ 764,656</b>	<b>\$ 7,265</b>	<b>\$ 17,536</b>	<b>\$ 876,150</b>	<b>\$ 844,777</b>
\$ 994	\$ 6,053	\$ 65,519	\$ 143	\$ 1,198	\$ 666,752	\$ 659,771
646	283	26,161	.....	257	27,974	6,780
.....	.....	2,003	.....	.....	2,003	2,045
.....	.....	320,023	.....	.....	320,023	315,064
.....	109	48,410	24	.....	48,543	53,536
.....	367	95,894	.....	2,456	98,717	96,140
.....	.....	4,173	.....	.....	4,173	3,631
824	2,289	4,722	116	1,121	10,184	10,003
144	106	6,198	248	257	8,162	12,546
.....	.....	29	.....	.....	29	96
<b>2,608</b>	<b>9,207</b>	<b>573,132</b>	<b>531</b>	<b>5,289</b>	<b>1,186,560</b>	<b>1,159,612</b>
253	.....	.....	1	232	1,713	1,705
5,427	35,800	191,524	6,733	12,015	(312,123)	(316,540)
<b>5,680</b>	<b>35,800</b>	<b>191,524</b>	<b>6,734</b>	<b>12,247</b>	<b>(310,410)</b>	<b>(314,835)</b>
<b>\$ 8,288</b>	<b>\$ 45,007</b>	<b>\$ 764,656</b>	<b>\$ 7,265</b>	<b>\$ 17,536</b>	<b>\$ 876,150</b>	<b>\$ 844,777</b>



# STATE OF FLORIDA

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS ALL INTERNAL SERVICE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 1998 (in thousands)

	Departments of				
	Environmental Protection	Banking and Finance	State	Insurance	Education
<b>OPERATING REVENUES</b>					
Sales -- state	\$ 7,155	\$ 27	\$ 1,142	\$ 109,731	\$ 3,159
Sales -- nonstate	13	.....	268	336	.....
Rents -- state	.....	.....	.....	.....	.....
Rents and royalties -- nonstate	.....	.....	.....	.....	.....
Other	.....	.....	.....	.....	.....
<b>TOTAL OPERATING REVENUES</b>	<b>7,168</b>	<b>27</b>	<b>1,410</b>	<b>110,067</b>	<b>3,159</b>
<b>OPERATING EXPENSES</b>					
Personal services	3,242	126	929	4,025	2,374
Contractual services	3,533	11	37	19,001	.....
Materials and supplies	367	.....	271	112	619
Depreciation	250	.....	40	.....	306
Insurance claims	.....	.....	.....	114,287	.....
Repairs and maintenance	.....	.....	69	20	.....
<b>TOTAL OPERATING EXPENSES</b>	<b>7,392</b>	<b>137</b>	<b>1,346</b>	<b>137,445</b>	<b>3,299</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>(224)</b>	<b>(110)</b>	<b>64</b>	<b>(27,378)</b>	<b>(140)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Grants and contributions	.....	.....	.....	.....	.....
Investment earnings	.....	282	7	3,926	26
Interest and fiscal charges	.....	(53)	(1)	.....	.....
Property disposition gain/(loss)	(13)	.....	.....	(2)	343
Other	.....	.....	.....	.....	.....
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(13)</b>	<b>229</b>	<b>6</b>	<b>3,924</b>	<b>369</b>
<b>INCOME/(LOSS) BEFORE OPERATING TRANSFERS</b>	<b>(237)</b>	<b>119</b>	<b>70</b>	<b>(23,454)</b>	<b>229</b>
Operating transfers in	.....	.....	55	304	.....
Operating transfers out	(21)	(10)	(120)	(369)	.....
<b>NET INCOME/(LOSS)</b>	<b>(258)</b>	<b>109</b>	<b>5</b>	<b>(23,519)</b>	<b>229</b>
Retained Earnings, July 1	534	2,439	543	(544,950)	1,188
Adjustments to increase (decrease) beginning retained earnings	.....	5	.....	51	2
Retained Earnings, July 1, as restated	534	2,444	543	(544,899)	1,190
<b>RETAINED EARNINGS, JUNE 30</b>	<b>\$ 276</b>	<b>\$ 2,553</b>	<b>\$ 548</b>	<b>\$ (568,418)</b>	<b>\$ 1,419</b>

Departments of					Totals	
Labor and Employment Security	Children and Families	Management Services	Revenue	Highway Safety and Motor Vehicles	6/30/98	6/30/97
\$ 20,810	\$ 80,384	\$ 633,475	\$ 6,099	\$ 24,348	\$ 886,330	\$ 889,012
.....	.....	36,784	.....	.....	37,401	32,940
2,474	.....	68,016	.....	.....	70,490	66,001
35	.....	254	.....	.....	289	86
.....	.....	.....	1	.....	1	1,702
<b>23,319</b>	<b>80,384</b>	<b>738,529</b>	<b>6,100</b>	<b>24,348</b>	<b>994,511</b>	<b>989,741</b>
8,583	16,329	36,254	1,201	10,568	83,631	77,595
10,056	25,757	362,520	1,053	8,318	430,286	399,059
1,506	10,360	3,223	2,659	581	19,698	13,846
1,610	9,029	13,465	165	2,320	27,185	34,215
.....	.....	363,324	.....	.....	477,611	569,574
.....	787	17,112	18	3,889	21,895	33,926
<b>21,755</b>	<b>62,262</b>	<b>795,898</b>	<b>5,096</b>	<b>25,676</b>	<b>1,060,306</b>	<b>1,128,215</b>
<b>1,564</b>	<b>18,122</b>	<b>(57,369)</b>	<b>1,004</b>	<b>(1,328)</b>	<b>(65,795)</b>	<b>(138,474)</b>
151	78	.....	.....	.....	229	126
.....	.....	9,821	.....	.....	14,062	13,229
.....	(229)	(17,926)	(147)	(100)	(18,456)	(18,028)
(111)	(1,750)	(4,168)	(679)	513	(5,867)	(12,240)
3	.....	.....	.....	(2)	1	503
<b>43</b>	<b>(1,901)</b>	<b>(12,273)</b>	<b>(826)</b>	<b>411</b>	<b>(10,031)</b>	<b>(16,410)</b>
<b>1,607</b>	<b>16,221</b>	<b>(69,642)</b>	<b>178</b>	<b>(917)</b>	<b>(75,826)</b>	<b>(154,884)</b>
.....	.....	126,182	3	.....	126,544	15,088
(60)	(867)	(45,244)	(12)	(97)	(46,800)	(17,284)
<b>1,547</b>	<b>15,354</b>	<b>11,296</b>	<b>169</b>	<b>(1,014)</b>	<b>3,918</b>	<b>(157,080)</b>
3,880	20,446	179,787	6,564	13,029	(316,540)	(159,460)
.....	.....	441	.....	.....	499	.....
3,880	20,446	180,228	6,564	13,029	(316,041)	(159,460)
<b>\$ 5,427</b>	<b>\$ 35,800</b>	<b>\$ 191,524</b>	<b>\$ 6,733</b>	<b>\$ 12,015</b>	<b>\$ (312,123)</b>	<b>\$ (316,540)</b>

# STATE OF FLORIDA

## COMBINING STATEMENT OF CASH FLOWS ALL INTERNAL SERVICE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 1998 (in thousands)

	Departments of				
	Environmental Protection	Banking and Finance	State	Insurance	Education
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash from customers and users	\$ 7,651	\$ 28	\$ 1,478	\$ 109,656	\$ 2,972
Cash paid to suppliers and vendors	(3,902)	(6)	(383)	(1,082)	(649)
Cash paid to employees	(3,213)	(131)	(911)	(3,856)	(2,327)
Cash paid for insurance claims	.....	.....	.....	(101,558)	.....
<b>NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES</b>	<b>536</b>	<b>(109)</b>	<b>184</b>	<b>3,160</b>	<b>(4)</b>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in from other funds	.....	.....	55	3,500	.....
Transfers out to other funds	(21)	(10)	(115)	(513)	.....
<b>NET CAPITAL PROVIDED/(USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>(21)</b>	<b>(10)</b>	<b>(60)</b>	<b>2,987</b>	<b>.....</b>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from sale of fixed assets	.....	351	.....	.....	.....
Proceeds from sale of bonds	.....	.....	.....	.....	.....
Payment of bonds and loans	.....	.....	.....	.....	.....
Principal on installment purchases/leases	.....	(295)	.....	.....	.....
Payment of interest	.....	(61)	.....	.....	.....
Purchase or construction of fixed assets	(156)	.....	(49)	(31)	.....
<b>NET CASH PROVIDED/(USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(156)</b>	<b>(5)</b>	<b>(49)</b>	<b>(31)</b>	<b>.....</b>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Sale or maturity of investments	.....	.....	.....	500	.....
Interest received	74	59	28	4,840	51
<b>NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES</b>	<b>74</b>	<b>59</b>	<b>28</b>	<b>5,340</b>	<b>51</b>
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>433</b>	<b>(65)</b>	<b>103</b>	<b>11,456</b>	<b>47</b>
Cash and cash equivalents, July 1	973	1,039	287	10,159	417
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<b>\$ 1,406</b>	<b>\$ 974</b>	<b>\$ 390</b>	<b>\$ 21,615</b>	<b>\$ 464</b>

Departments of						
Labor and Employment Security	Children and Families	Management Services	Revenue	Highway Safety and Motor Vehicles	Totals	
					6/30/98	6/30/97
\$ 23,374	\$ 89,677	\$ 784,523	\$ 6,103	\$ 24,359	\$ 1,049,821	\$ 1,036,687
(13,891)	(48,308)	(388,746)	(2,774)	(9,725)	(469,466)	(260,451)
(8,416)	(16,223)	(32,789)	(1,228)	(10,048)	(79,142)	(75,772)
.....	.....	(383,032)	.....	.....	(484,590)	(316,631)
1,067	25,146	(20,044)	2,101	4,586	16,623	383,833
.....	.....	125,680	.....	.....	129,235	12,786
(102)	(750)	(78,429)	.....	.....	(79,940)	(437,510)
(102)	(750)	47,251	.....	.....	49,295	(424,724)
.....	.....	.....	.....	.....	351	.....
.....	.....	11,441	.....	.....	11,441	22,303
.....	.....	(7,085)	.....	.....	(7,085)	(7,896)
.....	(5,096)	.....	(1,058)	(523)	(6,972)	(7,700)
.....	(227)	(16,855)	(147)	(88)	(17,378)	(17,241)
(380)	(17,391)	(30,302)	.....	(4,420)	(52,729)	(60,814)
(380)	(22,714)	(42,801)	(1,205)	(5,031)	(72,372)	(71,348)
.....	.....	.....	.....	.....	500	13,376
144	106	14,598	247	257	20,404	10,814
144	106	14,598	247	257	20,904	24,190
729	1,788	(996)	1,143	(188)	14,450	(88,049)
2,011	231	133,003	3,571	5,093	156,784	244,833
\$ 2,740	\$ 2,019	\$ 132,007	\$ 4,714	\$ 4,905	\$ 171,234	\$ 156,784

# STATE OF FLORIDA

## COMBINING STATEMENT OF CASH FLOWS ALL INTERNAL SERVICE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 1998 (in thousands)

### RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	Departments of				
	<u>Environmental Protection</u>	<u>Banking and Finance</u>	<u>State</u>	<u>Insurance</u>	<u>Education</u>
OPERATING INCOME/(LOSS)	\$ (224)	\$ (110)	\$ 64	\$ (27,378)	\$ (140)
Adjustment to reconcile operating income to net cash provided/(used) by operating activities:					
Depreciation and amortization expense	250	.....	40	.....	306
(Increase)/decrease in accounts receivable	2	.....	22	21	(1)
(Increase)/decrease in due from other funds	1	.....	23	(232)	(235)
(Increase)/decrease in inventories	.....	.....	.....	.....	20
Increase/(decrease) in accounts payable	(38)	1	24	34,002	2
Increase/(decrease) in compensated absences	25	.....	11	(288)	45
Increase/(decrease) in due to other funds	520	.....	.....	(2,965)	(1)
Increase/(decrease) in deferred revenues	.....	.....	.....	.....	.....
<b>NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES</b>	<b>\$ 536</b>	<b>\$ (109)</b>	<b>\$ 184</b>	<b>\$ 3,160</b>	<b>\$ (4)</b>

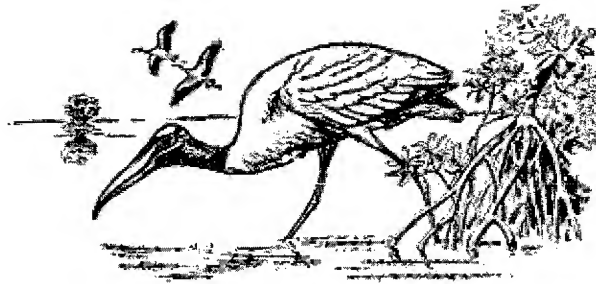
### NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Borrowing under capital lease or installment purchase	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
Distributions/transfers in of fixed assets	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....

## Departments of

<u>Labor and Employment Security</u>	<u>Children and Families</u>	<u>Management Services</u>	<u>Revenue</u>	<u>Highway Safety and Motor Vehicles</u>	<u>Totals</u>	
					<u>6/30/98</u>	<u>6/30/97</u>
\$ 1,564	\$ 18,122	\$ (57,369)	\$ 1,004	\$ (1,328)	\$ (65,795)	\$ (138,474)
1,610	9,029	13,465	165	2,320	27,185	34,215
.....	.....	(7,359)	.....	308	(7,007)	3,935
(167)	9,438	.....	842	2,747	12,417	684
(19)	.....	90	.....	.....	91	48
(1,691)	(11,225)	6,508	105	273	27,961	482,331
119	59	110	(15)	14	80	114
(349)	(277)	23,969	.....	252	21,149	(13)
.....	.....	542	.....	.....	542	993
<u>\$ 1,067</u>	<u>\$ 25,146</u>	<u>\$ (20,044)</u>	<u>\$ 2,101</u>	<u>\$ 4,586</u>	<u>\$ 16,623</u>	<u>\$ 383,833</u>

\$	.....	\$	.....	\$	.....	\$	2,984	\$	2,984	\$	.....
\$	151	\$	.....	\$	.....	\$	.....	\$	151	\$	.....



## **WOOD STORK**

Species: "Mycteria americana"

### **What is an Indicator Species?:**

The wood stork is a bird in the Everglades National Park that is a messenger of the past, present and future. Such a bird is known as an "indicator species." The term "indicator species" refers to any species or ecological community that is so strictly associated with particular environmental conditions that its presence is indicative of the existence of these conditions. Both the quality and quantity of this environment has a direct bearing on the well being and the number of that species. Close monitoring of an indicator species can disclose a great deal of information about the health of an entire ecosystem.

## ***Trust and Agency Funds***

The trust and agency funds account for the assets held by the government unit in a trustee capacity and/or as an agent for individuals, private organizations, other government units and/or other funds. These funds include expendable trust funds, the nonexpendable trust fund, pension trust funds, investment trust funds and agency funds.

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### **TRUST FUNDS**

#### **Expendable:**

##### **State Board of Administration**

*Florida Prepaid Postsecondary Education Expenses Trust Fund* - This fund provides for the prepayment of postsecondary education expenses for the residents of the State.

##### **Department of Insurance**

*Deferred Compensation Trust Fund* - The state employees' deferred compensation investments and corresponding liabilities are recorded in this fund.

##### **Department of Labor and Employment Security**

*Unemployment Compensation Benefit Trust Fund* - This fund accounts for the collection of unemployment compensation contributions and the benefit payments.

##### **Department of Banking and Finance**

*Abandoned Property Trust Fund* - A fund used to administer property that has been escheated to the State.

##### **Department of Transportation**

*Project Construction Trust Funds* - These funds account for bond proceeds for road construction projects belonging to local governments that are required by bond indentures to be deposited in the Treasury.

#### **Nonexpendable:**

##### **Department of State**

*Ringling Museum Investment Trust Fund* - This fund accounts for the endowment principal for the John and Mable Ringling Museum of Art.

#### **Pension:**

##### **Division of Retirement**

*Florida Retirement System Trust Fund* - See Note 7 for a complete description of the pension fund.

#### **Investment Trust:**

##### **State Board of Administration**

*Local Government Surplus Funds Trust Funds* -

These funds allow local governments to maximize their interest earnings on the surplus funds on both a pooled and non-pooled basis.

### **AGENCY FUNDS**

##### **Department of Banking and Finance**

*Social Security Contribution Trust Fund* - Social security contributions from participating state employees and employer contributions pass through this fund to the Federal Government.

##### **Department of Revenue**

*Local Option Gas Tax Trust Fund* - This fund accounts for the distribution of local option gas tax collections to counties and municipalities.



# STATE OF FLORIDA

## COMBINING BALANCE SHEET - ALL TRUST AND AGENCY FUNDS

JUNE 30, 1998

(in thousands)

	Trust			
	<u>Expendable</u>	<u>Nonexpendable</u>	<u>Pension</u>	<u>Investment</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 36,116	\$ .....	\$ 35,508	\$ 669
Pooled investments with State Treasury	2,371,610	2,095	6,274	.....
Investments	5,474,908	.....	90,904,811	12,841,804
Receivables, net	144,168	11	1,174,547	30,152
Due from other funds	45,569	.....	97,888	2,482
Inventories	2	.....	.....	.....
Loans and notes receivable, net	598,726	.....	.....	.....
Deferred fiscal charges and other assets	.....	.....	1,279	.....
Land	.....	.....	.....	.....
Furniture and equipment	.....	.....	3,278	.....
Accumulated depreciation	.....	.....	(1,651)	.....
<b>TOTAL ASSETS</b>	<b>\$ 8,671,099</b>	<b>\$ 2,106</b>	<b>\$ 92,221,934</b>	<b>\$ 12,875,107</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 247,271	\$ .....	\$ 1,871,390	\$ 11,383
Due to other funds	51,165	787	3,996	188
Due to component units/primary	3,578	.....	.....	.....
Advances from other funds	.....	.....	.....	.....
Compensated absences	.....	.....	1,355	.....
Obligations under security lending agreements	491,295	110	6,564,916	2,959,514
Other liabilities	5,142,622	.....	.....	.....
<b>Total Liabilities</b>	<b>5,935,931</b>	<b>897</b>	<b>8,441,657</b>	<b>2,971,085</b>
Fund Balances:				
Reserved	2,887	1,209	83,780,277	9,904,022
Unreserved	2,732,281	.....	.....	.....
<b>Total Fund Balances</b>	<b>2,735,168</b>	<b>1,209</b>	<b>83,780,277</b>	<b>9,904,022</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 8,671,099</b>	<b>\$ 2,106</b>	<b>\$ 92,221,934</b>	<b>\$ 12,875,107</b>

<u>Agency</u>	<u>Totals</u>	
	<u>6/30/98</u>	<u>6/30/97</u>
\$ 28,601	\$ 100,894	\$ 109,010
1,303,079	3,683,058	3,904,231
4,376,107	113,597,630	91,791,432
250,476	1,599,354	1,342,465
78,618	224,557	74,493
.....	2	2
3,125	601,851	569,017
8,908	10,187	16,355
1,882	1,882	4,118
46	3,324	2,824
.....	(1,651)	(1,297)
<u>\$ 6,050,842</u>	<u>\$ 119,821,088</u>	<u>\$ 97,812,650</u>

\$ 919,354	\$ 3,049,398	\$ 11,131,901
361,464	417,600	213,635
978,923	982,501	812,506
2,352	2,352	2,324
.....	1,355	1,138
79,018	10,094,853	8,300,610
3,709,731	8,852,353	7,735,218
<u>6,050,842</u>	<u>23,400,412</u>	<u>28,197,332</u>
.....	93,688,395	67,378,548
.....	2,732,281	2,236,770
.....	<u>96,420,676</u>	<u>69,615,318</u>
<u>\$ 6,050,842</u>	<u>\$ 119,821,088</u>	<u>\$ 97,812,650</u>

# STATE OF FLORIDA

## COMBINING BALANCE SHEET - ALL EXPENDABLE TRUST FUNDS

JUNE 30, 1998

(in thousands)

	Departments of				
	<u>Banking and Finance</u>	<u>Insurance</u>	<u>Education</u>	<u>Labor and Employment Security</u>	<u>Transportation</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ .....	\$ 34,115	\$ 407	\$ 184	\$ .....
Pooled investments with State Treasury	4,058	110	.....	2,265,268	102,035
Investments	.....	1,029,536	7,403	.....	.....
Receivables, net	.....	2	46	98,051	358
Due from other funds	1,936	.....	10	42,836	.....
Inventories	.....	.....	2	.....	.....
Loans and notes receivable, net	.....	.....	.....	.....	.....
<b>TOTAL ASSETS</b>	<b>\$ 5,994</b>	<b>\$ 1,063,763</b>	<b>\$ 7,868</b>	<b>\$ 2,406,339</b>	<b>\$ 102,393</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ .....	\$ .....	\$ .....	\$ 85,463	\$ 96,369
Due to other funds	2,099	.....	10	48,966	.....
Due to component units/primary	.....	.....	.....	1	.....
Obligations under security lending agreements	213	6	.....	119,048	5,361
Other liabilities	88	1,065,849	.....	1,864,200	.....
<b>Total Liabilities</b>	<b>2,400</b>	<b>1,065,855</b>	<b>10</b>	<b>2,117,678</b>	<b>101,730</b>
Fund Balances:					
Reserved	.....	.....	35	.....	.....
Unreserved	3,594	(2,092)	7,823	288,661	663
<b>Total Fund Balances</b>	<b>3,594</b>	<b>(2,092)</b>	<b>7,858</b>	<b>288,661</b>	<b>663</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 5,994</b>	<b>\$ 1,063,763</b>	<b>\$ 7,868</b>	<b>\$ 2,406,339</b>	<b>\$ 102,393</b>

<u>State Board of Administration</u>	<u>Other</u>	<u>Totals</u>	
		<u>6/30/98</u>	<u>6/30/97</u>
\$ 1,043	\$ 367	\$ 36,116	\$ 1,845
.....	139	2,371,610	2,302,668
4,437,969	.....	5,474,908	3,135,247
45,709	2	144,168	101,901
.....	787	45,569	22,063
.....	.....	2	2
598,726	.....	598,726	564,575
<b>\$ 5,083,447</b>	<b>\$ 1,295</b>	<b>\$ 8,671,099</b>	<b>\$ 6,128,301</b>

\$ 65,415	\$ 24	\$ 247,271	\$ 97,745
90	.....	51,165	32,791
3,577	.....	3,578	3,865
366,660	7	491,295	257,869
2,212,485	.....	5,142,622	3,496,811
<b>2,648,227</b>	<b>31</b>	<b>5,935,931</b>	<b>3,889,081</b>
2,822	30	2,887	2,450
2,432,398	1,234	2,732,281	2,236,770
<b>2,435,220</b>	<b>1,264</b>	<b>2,735,168</b>	<b>2,239,220</b>
<b>\$ 5,083,447</b>	<b>\$ 1,295</b>	<b>\$ 8,671,099</b>	<b>\$ 6,128,301</b>

# STATE OF FLORIDA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES ALL EXPENDABLE TRUST FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 1998 (in thousands)

	Departments of				
	Banking and Finance	Insurance	Education	Labor and Employment Security	Transportation
<b>REVENUES</b>					
Taxes	\$ .....	\$ .....	\$ .....	\$ 709,274	\$ .....
Fees and charges	2	94,320	58	2,727	.....
Grants and donations	.....	.....	910	18,175	.....
Investment earnings	.....	28	4,038	148,082	653
Fines, forfeits and judgments	140,555	.....	.....	.....	.....
Refunds	4	28	10	7,082	.....
Other	.....	.....	1	.....	.....
<b>TOTAL REVENUES</b>	<b>140,561</b>	<b>94,376</b>	<b>5,017</b>	<b>885,340</b>	<b>653</b>
<b>EXPENDITURES</b>					
Current:					
Economic opportunities, agriculture and employment	46,724	.....	.....	950,837	.....
Education	.....	.....	596	.....	.....
Health and social concerns	.....	.....	.....	.....	.....
Transportation	.....	.....	.....	.....	.....
Governmental direction and support services	.....	96,467	.....	.....	.....
Capital outlay	.....	.....	.....	.....	.....
Debt service:	.....	.....	.....	.....	.....
Interest and fiscal charges	.....	.....	.....	.....	.....
<b>TOTAL EXPENDITURES</b>	<b>46,724</b>	<b>96,467</b>	<b>596</b>	<b>950,837</b>	<b>.....</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>93,837</b>	<b>(2,091)</b>	<b>4,421</b>	<b>(65,497)</b>	<b>653</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds of bond issues	.....	.....	.....	.....	.....
Operating transfers in	3,703	.....	18	41,654	.....
Operating transfers out	(96,547)	(1)	(259)	(58,053)	.....
Transfers out to component units/primary	.....	.....	.....	.....	.....
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(92,844)</b>	<b>(1)</b>	<b>(241)</b>	<b>(16,399)</b>	<b>.....</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>993</b>	<b>(2,092)</b>	<b>4,180</b>	<b>(81,896)</b>	<b>653</b>
Fund Balances, July 1	2,601	.....	3,677	370,497	.....
Adjustments to increase (decrease) beginning fund balances	.....	.....	.....	60	10
Fund Balances, July 1, as restated	2,601	.....	3,677	370,557	10
Change in Reserve for Inventories	.....	.....	1	.....	.....
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 3,594</b>	<b>\$ (2,092)</b>	<b>\$ 7,858</b>	<b>\$ 288,661</b>	<b>\$ 663</b>

State Board of Administration		Other	Totals		
			6/30/98	6/30/97	
\$	.....	\$	.....	\$	801,654
	723,763		.....		695,501
	.....		60		24,880
	403,244		18		315,622
	.....		.....		132,274
	2		.....		18,814
	4,743		.....		1,702
	<b>1,131,752</b>	<b>78</b>	<b>2,257,777</b>	<b>1,990,447</b>	
	.....	.....	997,561	1,033,017	
	.....	.....	596	793	
	.....	27	27	22	
	.....	.....	.....	2,137	
	814,809	.....	911,276	341,591	
	76	8	84	63	
	.....	.....	.....	2	
	<b>814,885</b>	<b>35</b>	<b>1,909,544</b>	<b>1,377,625</b>	
	<b>316,867</b>	<b>43</b>	<b>348,233</b>	<b>612,822</b>	
	259,754	.....	259,754	.....	
	.....	142	45,517	31,100	
	(8,310)	.....	(163,170)	(128,652)	
	(4,957)	.....	(4,957)	(2,838)	
	<b>246,487</b>	<b>142</b>	<b>137,144</b>	<b>(100,390)</b>	
	<b>563,354</b>	<b>185</b>	<b>485,377</b>	<b>512,432</b>	
	1,861,366	1,079	2,239,220	1,726,787	
	10,500	.....	10,570	.....	
	1,871,866	1,079	2,249,790	1,726,787	
	.....	.....	1	1	
\$	<b>2,435,220</b>	<b>\$ 1,264</b>	<b>\$ 2,735,168</b>	<b>\$ 2,239,220</b>	

# STATE OF FLORIDA

## BALANCE SHEET - NONEXPENDABLE TRUST FUND JUNE 30, 1998 (in thousands)

	Totals	
	<u>6/30/98</u>	<u>6/30/97</u>
<b>ASSETS</b>		
Pooled investments with State Treasury	\$ 2,095	\$ 2,016
Receivables, net	11	10
<b>TOTAL ASSETS</b>	<u>\$ 2,106</u>	<u>\$ 2,026</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Due to other funds	\$ 787	\$ 645
Obligations under security lending agreements	110	172
<b>Total Liabilities</b>	<u>897</u>	<u>817</u>
Fund Balances:		
Reserved	1,209	1,209
<b>Total Fund Balances</b>	<u>1,209</u>	<u>1,209</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 2,106</u>	<u>\$ 2,026</u>

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE  
NONEXPENDABLE TRUST FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998  
(in thousands)**

	<b>Totals</b>	
	<u><b>6/30/98</b></u>	<u><b>6/30/97</b></u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment earnings	\$ 132	\$ 97
<b>INCOME/(LOSS) BEFORE OPERATING TRANSFERS</b>	<b>132</b>	<b>97</b>
Operating transfers out	(142)	(97)
<b>NET INCOME/(LOSS)</b>	<b>(10)</b>	<b>.....</b>
Fund Balances, July 1	1,209	1,209
Adjustments to increase (decrease) beginning fund balances	10	.....
Fund Balances, July 1, as restated	1,219	1,209
<b>FUND BALANCE, JUNE 30</b>	<b>\$ 1,209</b>	<b>\$ 1,209</b>

**STATEMENT OF CASH FLOWS  
NONEXPENDABLE TRUST FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998  
(in thousands)**

	<b>Totals</b>	
	<u><b>6/30/98</b></u>	<u><b>6/30/97</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Sale or maturity of investments	\$ ..... \$ 172	
Interest received	79	94
<b>NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES</b>	<b>79</b>	<b>266</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>79</b>	<b>266</b>
Cash and cash equivalents, July 1	2,016	1,750
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<b>\$ 2,095</b>	<b>\$ 2,016</b>



# STATE OF FLORIDA

## COMBINING BALANCE SHEET - DEFINED CONTRIBUTION PENSION PLANS

JUNE 30, 1998

(in thousands)

	Senior Management Service Optional Annuity Program	Optional Retirement Program	Totals	
			6/30/98	6/30/97
<b>ASSETS</b>				
Pooled investments with State Treasury	\$ 102	\$ 5,477	\$ 5,579	\$ 5,033
Receivables, net	9	1,006	1,015	649
Furniture and equipment	.....	10	10	.....
Accumulated depreciation	.....	(1)	(1)	.....
<b>TOTAL ASSETS</b>	<b>\$ 111</b>	<b>\$ 6,492</b>	<b>\$ 6,603</b>	<b>\$ 5,682</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 64	\$ 4,731	\$ 4,795	\$ 4,290
Due to other funds	42	1,027	1,069	1,032
Obligations under security lending agreements	5	288	293	.....
<b>Total Liabilities</b>	<b>111</b>	<b>6,046</b>	<b>6,157</b>	<b>5,322</b>
Fund Balances:				
Reserved	.....	446	446	360
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 111</b>	<b>\$ 6,492</b>	<b>\$ 6,603</b>	<b>\$ 5,682</b>

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES  
DEFINED CONTRIBUTION PENSION PLANS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998  
(in thousands)**

	Senior Management Service Optional Annuity Program	Optional Retirement Program	Totals	
			6/30/98	6/30/97
<b>OPERATING REVENUES</b>				
Sales -- nonstate	\$ .....	\$ .....	\$ .....	\$ 1
Investment earnings	.....	109	109	88
Pension fund contributions	1,494	109,809	111,303	99,040
<b>TOTAL OPERATING REVENUES</b>	<b>1,494</b>	<b>109,918</b>	<b>111,412</b>	<b>99,129</b>
<b>OPERATING EXPENSES</b>				
Personal services	.....	55	55	47
Contractual services	926	81,385	82,311	73,092
Materials and supplies	.....	11	11	14
Depreciation	.....	1	1	.....
<b>TOTAL OPERATING EXPENSES</b>	<b>926</b>	<b>81,452</b>	<b>82,378</b>	<b>73,153</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>568</b>	<b>28,466</b>	<b>29,034</b>	<b>25,976</b>
Operating transfers out	(568)	(28,389)	(28,957)	(25,933)
<b>NET INCOME/(LOSS)</b>	<b>.....</b>	<b>77</b>	<b>77</b>	<b>43</b>
Fund Balances, July 1	.....	360	360	317
Adjustments to increase (decrease) beginning retained earnings	.....	9	9	.....
Fund Balances, July 1, as restated	.....	369	369	317
<b>FUND BALANCES, JUNE 30</b>	<b>\$ .....</b>	<b>\$ 446</b>	<b>\$ 446</b>	<b>\$ 360</b>

# STATE OF FLORIDA

## STATEMENT OF PLAN NET ASSETS DEFINED BENEFIT PENSION PLAN JUNE 30, 1998 (in thousands)

	Totals	
	6/30/98	6/30/97
<b>ASSETS</b>		
Cash and cash equivalents	\$ 35,508	\$ 48,283
Pooled investments with State Treasury	695	1,125
	<u>36,203</u>	<u>49,408</u>
Investments:		
Certificates of deposit	239,981	225,975
U.S. government & federally-guaranteed obligations	6,670,228	6,490,159
Federal agencies	4,757,013	3,941,421
Commercial paper	1,398,458	24,934
Repurchase agreements	490,610	1,923,804
Bonds and notes	9,458,589	896,090
Real estate contracts	2,474,654	6,422,087
Short-term investments	1,364,966	1,792,592
Money market and mutual fund/investment agreements	.....	686,336
Domestic equity/domestic equity commingled	50,905,543	39,158,424
Limited partnerships	401,366	95,178
Equity group trust	3,940	1,774
International equity/international equity commingled	6,156,304	5,620,525
Canadian bills/foreign currency	.....	74,849
Total Investments	<u>84,321,652</u>	<u>67,354,148</u>
Receivables:		
Accounts receivable	504	.....
State contributions receivable	.....	63,337
Non-State contributions receivable	251,024	236,864
Installment contributions receivable	.....	257
Interest receivable	289,782	229,328
Dividends receivable	48,463	43,270
Pending investment sales	371,339	225,266
Forward contracts/receivable/discount	187,362	118,853
Futures trade equity	642	.....
Proceeds from the sale of investments	24,416	26,229
Due from state funds	97,888	1,063
Total Receivables	<u>1,271,420</u>	<u>944,467</u>
Security lending collateral	6,583,159	6,515,275
Fixed assets	3,268	2,608
Accumulated depreciation	(1,650)	(1,297)
Total Fixed Assets	<u>1,618</u>	<u>1,311</u>
Other assets	1,279	1,675
<b>Total Assets</b>	<u><b>\$ 92,215,331</b></u>	<u><b>\$74,866,284</b></u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 24,085	\$ 22,474
Pending investment purchases	1,631,678	806,705
Forward contracts payable	187,676	118,853
Broker rebate fees	23,157	24,854
Due to other funds	2,927	2,454
Due to component unit/primary	.....	2
Obligations under security lending agreements	6,564,623	6,515,275
Compensated absences liability	1,355	1,138
<b>Total Liabilities</b>	<u><b>8,435,501</b></u>	<u><b>7,491,755</b></u>
Fund Balance:		
Reserved for employees' pension benefits	<u><b>83,779,831</b></u>	<u><b>67,374,529</b></u>
(A schedule of funding progress is presented on page 178)		
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><b>\$ 92,215,332</b></u>	<u><b>\$74,866,284</b></u>

**STATEMENT OF CHANGES IN PLAN NET ASSETS  
DEFINED BENEFIT PENSION PLAN  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998  
(in thousands)**

	<b>Totals</b>	
	<b><u>6/30/98</u></b>	<b><u>6/30/97</u></b>
<b>ADDITIONS</b>		
Contributions:		
Pension fund contributions - State	\$ 844,883	\$ 779,664
Pension fund contributions - Non-State	2,362,119	2,257,839
Purchase of time by employees	30,424	25,773
Transfers in from other state funds	55,059	46,180
Deposits required by law	234	174
<b>Total Contributions and Other Deposits</b>	<b><u>3,292,719</u></b>	<b><u>3,109,630</u></b>
Investment Income:		
Interest income	1,274,060	1,256,000
Dividends	770,368	687,084
Real estate operating income, net	183,133	129,286
Other investment income	3,263	4,857
Net appreciation in fair value	12,767,925	9,565,127
	<u>14,998,749</u>	<u>11,642,354</u>
Investment activity expense	(128,246)	(103,429)
<b>Net Income from investing activity</b>	<b><u>14,870,503</u></b>	<b><u>11,538,925</u></b>
From security lending activities:		
Security lending income	334,485	285,702
Security lending expense	(315,315)	(265,205)
<b>Net income from security lending</b>	<b><u>19,170</u></b>	<b><u>20,497</u></b>
<b>Total net investment income</b>	<b><u>14,889,673</u></b>	<b><u>11,559,422</u></b>
<b>TOTAL ADDITIONS</b>	<b><u>18,182,392</u></b>	<b><u>14,669,052</u></b>
<b>DEDUCTIONS</b>		
Transfers out to state funds	19,929	14,800
Benefit payments	1,743,342	1,580,389
Property disposition loss	16	446
Refund of contributions	2,713	1,762
Administrative expense	11,092	11,221
<b>TOTAL DEDUCTIONS</b>	<b><u>1,777,092</u></b>	<b><u>1,608,618</u></b>
<b>NET INCREASE</b>	<b><u>16,405,300</u></b>	<b><u>13,060,434</u></b>
<b>FUND BALANCE:</b>		
Reserved for Employees' Pension Benefits		
Fund Balance, July 1	67,374,529	44,439,327
Adjustments to increase (decrease) beginning fund balance	2	9,910,681
<b>Fund Balance, July 1, as restated</b>	<b><u>67,374,531</u></b>	<b><u>54,350,008</u></b>
Residual Equity Transfers	.....	(35,913)
<b>FUND BALANCE, JUNE 30</b>	<b><u>\$ 83,779,831</u></b>	<b><u>\$67,374,529</u></b>

# STATE OF FLORIDA

## COMBINING STATEMENT OF NET ASSETS INVESTMENT TRUST FUNDS JUNE 30, 1998 (in thousands)

	Local Government Surplus Funds Nonpool	Local Government Surplus Funds Pool	Total 6/30/98
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1	\$ 668	\$ 669
	1	668	669
Investments:			
Certificates of deposit	.....	360,336	360,336
U.S. government & federally-guaranteed obligations	.....	1,831,284	1,831,284
Federal agencies	.....	2,066,464	2,066,464
Commercial paper	.....	3,355,869	3,355,869
Repurchase agreements	264,491	920,106	1,184,597
Bonds and notes	.....	1,017,376	1,017,376
Canadian bills/foreign currency	.....	65,228	65,228
Total Investments	264,491	9,616,663	9,881,154
Receivables:			
Interest receivable	252	29,147	29,399
Due from state funds	.....	2,482	2,482
Due from other governments	.....	606	606
Total Receivables	252	32,235	32,487
Security lending collateral	.....	2,960,650	2,960,650
Other assets	.....	147	147
<b>Total Assets</b>	<b>\$ 264,744</b>	<b>\$12,610,363</b>	<b>\$12,875,107</b>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Accounts payable	\$ .....	\$ 71	\$ 71
Broker rebate fees	.....	7,678	7,678
Due to other funds	6	182	188
Due to other governments	.....	3,634	3,634
Obligations under security lending agreements	.....	2,959,514	2,959,514
<b>Total Liabilities</b>	<b>6</b>	<b>2,971,079</b>	<b>2,971,085</b>
Fund Balance:			
Net assets held in trust for pool participants	264,738	9,639,284	9,904,022
<b>Total Fund Balance</b>	<b>264,738</b>	<b>9,639,284</b>	<b>9,904,022</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 264,744</b>	<b>\$12,610,363</b>	<b>\$12,875,107</b>

**COMBINING STATEMENT OF CHANGES IN NET ASSETS  
INVESTMENT TRUST FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30,1998  
(in thousands)**

	Local Government Surplus Funds Nonpool	Local Government Surplus Funds Pool	Total 6/30/98
<b>ADDITIONS</b>			
Transfers in from other state funds	\$ 5,852	\$ 128,902	\$ 134,754
Total Other Deposits	5,852	128,902	134,754
Interest income	9,306	525,431	534,737
Transfers out - Investment activity expense	(33)	(1,984)	(2,017)
Net Income from investing activity	9,273	523,447	532,720
From security lending activities:			
Security lending income	.....	47,972	47,972
Security lending expense	.....	(45,119)	(45,119)
Net income from security lending	.....	2,853	2,853
Total net investment income	9,273	526,300	535,573
<b>TOTAL ADDITIONS</b>	<b>15,125</b>	<b>655,202</b>	<b>670,327</b>
<b>DEDUCTIONS</b>			
Transfers out to state funds	97,230	5,852	103,082
Administrative expense	.....	521	521
<b>Total Deductions</b>	<b>97,230</b>	<b>6,373</b>	<b>103,603</b>
Depositor activity			
Deposits	11,719,929	27,037,128	38,757,057
Withdrawals	(11,615,892)	(26,409,149)	(38,025,041)
Excess of deposits over withdrawals	104,037	627,979	732,016
<b>Net Increase</b>	<b>21,932</b>	<b>1,276,808</b>	<b>1,298,740</b>
<b>FUND BALANCE:</b>			
Reserved for External Investment Pool Participants			
Fund Balance, July 1	.....	.....	.....
Adjustments to increase (decrease) beginning fund balance	242,806	8,362,476	8,605,282
Fund Balance, July 1, as restated	242,806	8,362,476	8,605,282
<b>FUND BALANCE, JUNE 30</b>	<b>\$ 264,738</b>	<b>\$ 9,639,284</b>	<b>\$ 9,904,022</b>

# STATE OF FLORIDA

## COMBINING BALANCE SHEET - ALL AGENCY FUNDS JUNE 30, 1998 (in thousands)

	Departments of				
	<u>Legal Affairs</u>	<u>Banking and Finance</u>	<u>Insurance</u>	<u>Community Affairs</u>	<u>Management Services</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ .....	\$ .....	\$ 15,787	\$ .....	\$ .....
Pooled investments with State Treasury	23,250	95,644	984,948	25,685	9,182
Investments	.....	46,254	27,826	.....	23,034
Receivables, net	186	66	3,329	.....	193
Due from other funds	.....	6	.....	.....	25,000
Loans and notes receivable, net	379	.....	2,742	.....	.....
Deferred fiscal charges and other assets	.....	.....	8,908	.....	.....
Land	.....	.....	1,882	.....	.....
Furniture and equipment	.....	.....	46	.....	.....
<b>TOTAL ASSETS</b>	<b>\$ 23,815</b>	<b>\$ 141,970</b>	<b>\$ 1,045,468</b>	<b>\$ 25,685</b>	<b>\$ 57,409</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 112	\$ 46,591	\$ 462,746	\$ .....	\$ 4,756
Due to other funds	.....	90,109	230,104	.....	8
Due to component units/primary	.....	.....	290,314	24,335	.....
Advances from other funds	.....	.....	.....	.....	.....
Obligations under security lending agreements	1,222	5,026	62,304	1,350	482
Other liabilities	22,481	244	.....	.....	52,163
<b>TOTAL LIABILITIES</b>	<b>\$ 23,815</b>	<b>\$ 141,970</b>	<b>\$ 1,045,468</b>	<b>\$ 25,685</b>	<b>\$ 57,409</b>

Departments of		State Board of Administration	Other	Totals	
Revenue	Highway Safety and Motor Vehicles			6/30/98	6/30/97
\$ .....	\$ 110	\$ 3,317	\$ 9,387	\$ 28,601	\$ 58,882
140,933	17,310	.....	6,127	1,303,079	1,593,389
.....	.....	4,278,922	71	4,376,107	14,786,763
202,742	305	43,160	495	250,476	296,500
53,070	.....	242	300	78,618	51,367
.....	.....	.....	4	3,125	4,442
.....	.....	.....	.....	8,908	14,680
.....	.....	.....	.....	1,882	4,118
.....	.....	.....	.....	46	216
<b>\$ 396,745</b>	<b>\$ 17,725</b>	<b>\$ 4,325,641</b>	<b>\$ 16,384</b>	<b>\$ 6,050,842</b>	<b>\$ 16,810,357</b>
\$ 362,807	\$ 5,133	\$ 25,132	\$ 12,077	\$ 919,354	\$ 10,056,980
26,531	11,649	1,425	1,638	361,464	176,713
.....	.....	664,274	.....	978,923	808,639
.....	.....	.....	2,352	2,352	2,324
7,407	910	.....	317	79,018	1,527,294
.....	33	3,634,810	.....	3,709,731	4,238,407
<b>\$ 396,745</b>	<b>\$ 17,725</b>	<b>\$ 4,325,641</b>	<b>\$ 16,384</b>	<b>\$ 6,050,842</b>	<b>\$ 16,810,357</b>



# STATE OF FLORIDA

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 1998 (in thousands)

### Department of Legal Affairs

	Balance 7/1/97	Additions	Deletions	Balance 6/30/98
<b>ASSETS</b>				
Cash and cash equivalents	\$ .....	\$ 10,682	\$ 10,682	\$ .....
Pooled investments with State Treasury	13,823	16,449	7,022	23,250
Receivables, net	867	88	769	186
Loans and notes receivable, net	442	129	192	379
<b>TOTAL ASSETS</b>	<b>\$ 15,132</b>	<b>\$ 27,348</b>	<b>\$ 18,665</b>	<b>\$ 23,815</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ .....	\$ 112	\$ .....	\$ 112
Obligations under security lending agreements	.....	1,222	.....	1,222
Other liabilities	15,132	7,958	609	22,481
<b>TOTAL LIABILITIES</b>	<b>\$ 15,132</b>	<b>\$ 9,292</b>	<b>\$ 609</b>	<b>\$ 23,815</b>

### Department of Banking and Finance

<b>ASSETS</b>				
Cash and cash equivalents	\$ .....	\$ 2,921	\$ 2,921	\$ .....
Pooled investments with State Treasury	94,870	17,295,197	17,294,423	95,644
Investments	38,056	8,198	.....	46,254
Receivables, net	78	14	26	66
Due from other funds	76	10	80	6
<b>TOTAL ASSETS</b>	<b>\$ 133,080</b>	<b>\$ 17,306,340</b>	<b>\$ 17,297,450</b>	<b>\$ 141,970</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 125,818	\$ 8,322	\$ 87,549	\$ 46,591
Due to other funds	50	90,102	43	90,109
Obligations under security lending agreements	.....	5,026	.....	5,026
Other liabilities	7,212	191	7,159	244
<b>TOTAL LIABILITIES</b>	<b>\$ 133,080</b>	<b>\$ 103,641</b>	<b>\$ 94,751</b>	<b>\$ 141,970</b>

### Department of Insurance

<b>ASSETS</b>				
Cash and cash equivalents	\$ 38,548	\$ 10,399	\$ 33,160	\$ 15,787
Pooled investments with State Treasury	1,286,207	907,927	1,209,186	984,948
Investments	860,779	9,171	842,124	27,826
Receivables, net	5,828	1,761	4,260	3,329
Loans and notes receivable, net	3,993	240	1,491	2,742
Deferred fiscal charges and other assets	14,562	.....	5,654	8,908
Land	4,118	.....	2,236	1,882
Furniture and equipment	216	.....	170	46
<b>TOTAL ASSETS</b>	<b>\$ 2,214,251</b>	<b>\$ 929,498</b>	<b>\$ 2,098,281</b>	<b>\$ 1,045,468</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 900,919	\$ 97,690	\$ 535,863	\$ 462,746
Due to other funds	107,623	122,482	1	230,104
Due to component units/primary	204,113	290,314	204,113	290,314
Obligations under security lending agreements	135,850	62,304	135,850	62,304
Other liabilities	865,746	.....	865,746	.....
<b>TOTAL LIABILITIES</b>	<b>\$ 2,214,251</b>	<b>\$ 572,790</b>	<b>\$ 1,741,573</b>	<b>\$ 1,045,468</b>

# STATE OF FLORIDA

## Department of Community Affairs

	Balance 7/1/97	Additions	Deletions	Balance 6/30/98
<b>ASSETS</b>				
Pooled investments with State Treasury	\$ .....	\$ 25,685	\$ .....	\$ 25,685
<b>TOTAL ASSETS</b>	<b>\$ .....</b>	<b>\$ 25,685</b>	<b>\$ .....</b>	<b>\$ 25,685</b>
<b>LIABILITIES</b>				
Due to component units/primary	\$ .....	\$ 24,335	\$ .....	\$ 24,335
Obligations under security lending agreements	.....	1,350	.....	1,350
<b>TOTAL LIABILITIES</b>	<b>\$ .....</b>	<b>\$ 25,685</b>	<b>\$ .....</b>	<b>\$ 25,685</b>

## Department of Management Services

<b>ASSETS</b>				
Pooled investments with State Treasury	\$ 7,298	\$ 41,479	\$ 39,595	\$ 9,182
Investments	39,299	.....	16,265	23,034
Receivables, net	200	173	180	193
Due from other funds	28	25,000	28	25,000
<b>TOTAL ASSETS</b>	<b>\$ 46,825</b>	<b>\$ 66,652</b>	<b>\$ 56,068</b>	<b>\$ 57,409</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 3,554	\$ 1,473	\$ 271	\$ 4,756
Due to other funds	32	8	32	8
Obligations under security lending agreements	.....	482	.....	482
Other liabilities	43,239	8,924	.....	52,163
<b>TOTAL LIABILITIES</b>	<b>\$ 46,825</b>	<b>\$ 10,887</b>	<b>\$ 303</b>	<b>\$ 57,409</b>

## Department of Revenue

<b>ASSETS</b>				
Pooled investments with State Treasury	\$ 163,366	\$ 136,426	\$ 158,859	\$ 140,933
Receivables, net	204,589	202,742	204,589	202,742
Due from other funds	48,065	55,149	50,144	53,070
<b>TOTAL ASSETS</b>	<b>\$ 416,020</b>	<b>\$ 394,317</b>	<b>\$ 413,592</b>	<b>\$ 396,745</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 357,278	\$ 372,468	\$ 366,939	\$ 362,807
Due to other funds	58,742	26,531	58,742	26,531
Obligations under security lending agreements	.....	7,407	.....	7,407
<b>TOTAL LIABILITIES</b>	<b>\$ 416,020</b>	<b>\$ 406,406</b>	<b>\$ 425,681</b>	<b>\$ 396,745</b>

## Department of Highway Safety and Motor Vehicles

<b>ASSETS</b>				
Cash and cash equivalents	\$ 61	\$ 110	\$ 61	\$ 110
Pooled investments with State Treasury	22,529	56,550	61,769	17,310
Receivables, net	259	305	259	305
<b>TOTAL ASSETS</b>	<b>\$ 22,849</b>	<b>\$ 56,965</b>	<b>\$ 62,089</b>	<b>\$ 17,725</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 16,417	\$ 7,200	\$ 18,484	\$ 5,133
Due to other funds	6,399	53,908	48,658	11,649
Obligations under security lending agreements	.....	910	.....	910
Other liabilities	33	.....	.....	33
<b>TOTAL LIABILITIES</b>	<b>\$ 22,849</b>	<b>\$ 62,018</b>	<b>\$ 67,142</b>	<b>\$ 17,725</b>

# STATE OF FLORIDA

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 1998 (in thousands)

### State Board of Administration

	Balance 7/1/97	Additions	Deletions	Balance 6/30/98
<b>ASSETS</b>				
Cash and cash equivalents	\$ 11,911	\$ 4,200,817	\$ 4,209,411	\$ 3,317
Investments	13,848,558	3,399,111	12,968,747	4,278,922
Receivables, net	84,453	45,060	86,353	43,160
Due from other funds	2,416	224	2,398	242
Deferred fiscal charges and other assets	118	.....	118	.....
<b>TOTAL ASSETS</b>	<b>\$ 13,947,456</b>	<b>\$ 7,645,212</b>	<b>\$ 17,267,027</b>	<b>\$ 4,325,641</b>

### LIABILITIES

Accounts payable and accrued liabilities	\$ 8,642,921	\$ 57,550	\$ 8,675,339	\$ 25,132
Due to other funds	1,521	1,427	1,523	1,425
Due to component units/primary	604,526	1,991,980	1,932,232	664,274
Obligations under security lending agreements	1,391,444	.....	1,391,444	.....
Other liabilities	3,307,044	990,447	662,681	3,634,810
<b>TOTAL LIABILITIES</b>	<b>\$ 13,947,456</b>	<b>\$ 3,041,404</b>	<b>\$ 12,663,219</b>	<b>\$ 4,325,641</b>

### Other

### ASSETS

Cash and cash equivalents	\$ 8,362	\$ 118,223	\$ 117,198	\$ 9,387
Pooled investments with State Treasury	5,296	1,318	487	6,127
Investments	71	5	5	71
Receivables, net	226	569	300	495
Due from other funds	782	585	1,067	300
Loans and notes receivable, net	7	12	15	4
<b>TOTAL ASSETS</b>	<b>\$ 14,744</b>	<b>\$ 120,712</b>	<b>\$ 119,072</b>	<b>\$ 16,384</b>

### LIABILITIES

Accounts payable and accrued liabilities	\$ 10,073	\$ 78,998	\$ 76,994	\$ 12,077
Due to other funds	2,346	78,763	79,471	1,638
Advances from other funds	2,324	1,572	1,544	2,352
Obligations under security lending agreements	.....	317	.....	317
Other liabilities	1	.....	1	.....
<b>TOTAL LIABILITIES</b>	<b>\$ 14,744</b>	<b>\$ 159,650</b>	<b>\$ 158,010</b>	<b>\$ 16,384</b>

### Total All Agency Funds

### ASSETS

Cash and cash equivalents	\$ 58,882	\$ 4,343,152	\$ 4,373,433	\$ 28,601
Pooled investments with State Treasury	1,593,389	18,481,031	18,771,341	1,303,079
Investments	14,786,763	3,416,485	13,827,141	4,376,107
Receivables, net	296,500	250,712	296,736	250,476
Due from other funds	51,367	80,968	53,717	78,618
Loans and notes receivable, net	4,442	381	1,698	3,125
Deferred fiscal charges and other assets	14,680	.....	5,772	8,908
Land	4,118	.....	2,236	1,882
Furniture and equipment	216	.....	170	46
<b>TOTAL ASSETS</b>	<b>\$ 16,810,357</b>	<b>\$ 26,572,729</b>	<b>\$ 37,332,244</b>	<b>\$ 6,050,842</b>

### LIABILITIES

Accounts payable and accrued liabilities	\$ 10,056,980	\$ 623,813	\$ 9,761,439	\$ 919,354
Due to other funds	176,713	373,221	188,470	361,464
Due to component units/primary	808,639	2,306,629	2,136,345	978,923
Advances from other funds	2,324	1,572	1,544	2,352
Obligations under security lending agreements	1,527,294	79,018	1,527,294	79,018
Other liabilities	4,238,407	1,007,520	1,536,196	3,709,731
<b>TOTAL LIABILITIES</b>	<b>\$ 16,810,357</b>	<b>\$ 4,391,773</b>	<b>\$ 15,151,288</b>	<b>\$ 6,050,842</b>

***General Fixed Assets***  
***Account Group***

The general fixed assets account group is maintained to account for all fixed assets acquired for general governmental use.

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# STATE OF FLORIDA

## BALANCE SHEET - GENERAL FIXED ASSETS ACCOUNT GROUP JUNE 30, 1998 (in thousands)

	Totals	
	<u>6/30/98</u>	<u>6/30/97</u>
<b>ASSETS</b>		
Land	\$ 2,317,263	\$ 2,242,882
Buildings and improvements	2,094,956	1,977,562
Furniture and equipment	1,749,574	1,789,921
Construction in progress	377,436	323,003
<b>TOTAL ASSETS</b>	<b>\$ 6,539,229</b>	<b>\$ 6,333,368</b>
<b>EQUITY</b>		
Investment in fixed assets	\$ 6,539,229	\$ 6,333,368
<b>TOTAL EQUITY</b>	<b>\$ 6,539,229</b>	<b>\$ 6,333,368</b>

## SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION JUNE 30, 1998 (in thousands)

Function	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Furniture and Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
Public safety	\$ 24,789	\$ 1,085,198	\$ 387,487	\$ 191,083	\$ 1,688,557
Education	323	60,487	53,959	6,992	121,761
General government	39,597	252,583	692,854	37,616	1,022,650
Health and social concerns	.....	340,243	158,442	52,510	551,195
Natural resources and environmental management	2,244,501	153,997	155,290	29,632	2,583,420
Transportation	8,053	202,448	301,542	59,603	571,646
<b>Totals</b>	<b>\$ 2,317,263</b>	<b>\$ 2,094,956</b>	<b>\$ 1,749,574</b>	<b>\$ 377,436</b>	<b>\$ 6,539,229</b>

## SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION FOR THE FISCAL YEAR ENDED JUNE 30, 1998 (in thousands)

Function	<u>Balance 7/1/97</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/98</u>
Public safety	\$ 1,637,305	\$ 40	\$ 174,724	\$ 123,512	\$ 1,688,557
Education	117,399	(144)	12,316	7,810	121,761
General government	988,493	(1,302)	84,779	49,320	1,022,650
Health and social concerns	549,637	32,376	90,175	120,993	551,195
Natural resources and environmental management	2,500,960	.....	91,952	9,492	2,583,420
Transportation	539,574	7	113,676	81,611	571,646
<b>Totals</b>	<b>\$ 6,333,368</b>	<b>\$ 30,977</b>	<b>\$ 567,622</b>	<b>\$ 392,738</b>	<b>\$ 6,539,229</b>

## ***General Long-Term Debt***

### ***Account Group***

The general long-term debt account group is maintained to account for the unmatured principal of bonds, notes or other forms of noncurrent or long-term general obligation indebtedness that is not a specific liability of any proprietary fund or trust fund. General long-term debt is not limited to liabilities arising from debt issuance but may also include noncurrent liabilities on lease purchase agreements, compensated absences and other commitments that are not current liabilities properly recorded in governmental funds.

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# STATE OF FLORIDA

## BALANCE SHEET - GENERAL LONG-TERM DEBT ACCOUNT GROUP JUNE 30, 1998 (in thousands)

	Totals	
	<u>6/30/98</u>	<u>6/30/97</u>
<b>AMOUNT TO BE PROVIDED</b>		
Amount available in debt service fund	\$ 298,073	\$ 273,388
Amount to be provided	11,667,977	10,543,068
<b>TOTAL AMOUNT TO BE PROVIDED</b>	<b>\$ 11,966,050</b>	<b>\$ 10,816,456</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 20,728	\$ 15,309
Bonds payable	11,253,815	9,771,945
Certificates of participation payable	155	1,850
Notes and leases payable	64,183	68,169
Compensated absences	620,435	577,587
Other liabilities	6,734	381,596
<b>TOTAL LIABILITIES</b>	<b>\$ 11,966,050</b>	<b>\$ 10,816,456</b>

## ***State University System Funds***

The State University System funds are used to account for all transactions relating to the ten state universities and the Board of Regents. These funds do not report on a governmental basis, but follow the form recommended by the National Association of College and University Business Officers and the American Institute of Certified Public Accountants.

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# STATE OF FLORIDA

## COMBINING BALANCE SHEET - ALL STATE UNIVERSITY SYSTEM FUND TYPES

JUNE 30, 1998

(in thousands)

	Current Funds			Endowment Funds
	Unrestricted	Restricted	Loan Funds	
ASSETS				
Cash and cash equivalents	\$ 19,568	\$ 5,520	\$ 3,002	\$ 150
Pooled investments with State Treasury	355,187	107,215	16,998	182
Investments	67,505	.....	.....	3,307
Receivables, net	35,729	92,396	2,602	1
Due from other funds	202,803	5,625	2,065	.....
Due from component units/primary	4,910	.....	.....	.....
Inventories	12,591	26	.....	.....
Loans and notes receivable, net	.....	.....	73,735	.....
Deferred fiscal charges and other assets	2,923	50	32	.....
Land	.....	.....	.....	.....
Buildings and improvements	.....	.....	.....	.....
Furniture and equipment	.....	.....	.....	.....
Construction in progress	.....	.....	.....	.....
TOTAL ASSETS	\$ 701,216	\$ 210,832	\$ 98,434	\$ 3,640
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable and accrued liabilities	\$ 85,942	\$ 18,083	\$ 1,852	\$ .....
Due to other funds	35,947	33,341	457	9
Due to component units/primary	5,731	.....	97	.....
Advances from other funds	320	.....	.....	.....
Bonds payable	.....	.....	.....	.....
Certificates of participation payable	.....	.....	.....	.....
Notes and leases payable	.....	.....	.....	.....
Deferred revenues	23,466	.....	.....	.....
Compensated absences	216,996	.....	.....	.....
Obligations under security lending agreements	.....	.....	.....	.....
Other liabilities	37	.....	20	.....
Total Liabilities	368,439	51,424	2,426	9
Fund Equity:				
Investment in fixed assets	.....	.....	.....	.....
Fund Balances:				
Reserved	117,089	159,408	96,008	3,631
Unreserved	215,688	.....	.....	.....
Total Fund Equity	332,777	159,408	96,008	3,631
TOTAL LIABILITIES AND FUND EQUITY	\$ 701,216	\$ 210,832	\$ 98,434	\$ 3,640

Plant Fund Group				Agency	Totals	
Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment In Plant		6/30/98	6/30/97
\$ .....	\$ .....	\$ 39	\$ .....	\$ 4,998	\$ 33,277	\$ 26,337
234,224	9,610	8,090	.....	71,949	803,455	833,848
.....	.....	11,686	.....	.....	82,498	46,402
4,103	45	81	.....	7,040	141,997	134,853
416,937	2,862	2,285	.....	8,504	641,081	658,486
.....	.....	.....	.....	.....	4,910	185
.....	.....	.....	.....	.....	12,617	13,912
.....	.....	.....	.....	.....	73,735	71,380
703	.....	.....	2,063	.....	5,771	11,800
.....	.....	.....	108,141	.....	108,141	103,004
.....	.....	.....	2,831,561	.....	2,831,561	2,469,395
.....	.....	.....	1,578,822	.....	1,578,822	1,456,295
.....	.....	.....	241,796	.....	241,796	366,585
<b>\$ 655,967</b>	<b>\$ 12,517</b>	<b>\$ 22,181</b>	<b>\$ 4,762,383</b>	<b>\$ 92,491</b>	<b>\$ 6,559,661</b>	<b>\$ 6,192,482</b>
\$ 43,442	\$ 60	\$ 32	\$ 377	\$ 32,218	\$ 182,006	\$ 166,934
145,266	668	741	.....	13,244	229,673	246,109
.....	.....	.....	.....	4,804	10,632	11,518
.....	.....	.....	1,088	.....	1,408	1,552
55,527	.....	687	311,656	.....	367,870	357,416
.....	.....	.....	52	.....	52	1,158
.....	.....	.....	3,020	.....	3,020	1,978
.....	.....	.....	.....	.....	23,466	20,516
.....	.....	.....	.....	.....	216,996	197,631
.....	.....	.....	.....	42,225	42,225	71,173
.....	.....	.....	26,660	.....	26,717	27,495
<b>244,235</b>	<b>728</b>	<b>1,460</b>	<b>342,853</b>	<b>92,491</b>	<b>1,104,065</b>	<b>1,103,480</b>
.....	.....	.....	4,419,530	.....	4,419,530	4,114,998
411,732	11,789	20,721	.....	.....	820,378	820,174
.....	.....	.....	.....	.....	215,688	153,830
<b>411,732</b>	<b>11,789</b>	<b>20,721</b>	<b>4,419,530</b>	<b>.....</b>	<b>5,455,596</b>	<b>5,089,002</b>
<b>\$ 655,967</b>	<b>\$ 12,517</b>	<b>\$ 22,181</b>	<b>\$ 4,762,383</b>	<b>\$ 92,491</b>	<b>\$ 6,559,661</b>	<b>\$ 6,192,482</b>



## **PRESERVATION 2000**

Florida is one of the few states in the eastern United States with large natural areas remaining and also has a long tradition of conservation. It is the site of the first wildlife refuge (Pelican Island) and the first eastern national forest (Ocala National Forest). Over the years the State has implemented several land acquisition programs to save native landscape from development including:



**1964:** Establishing a \$20 million bond program to acquire outdoor recreational lands.



**1972:** Creating another \$40 million Outdoor Recreation Bond Program.



**1979:** Establishing the Conservation and Recreational Lands (CARL) Program.

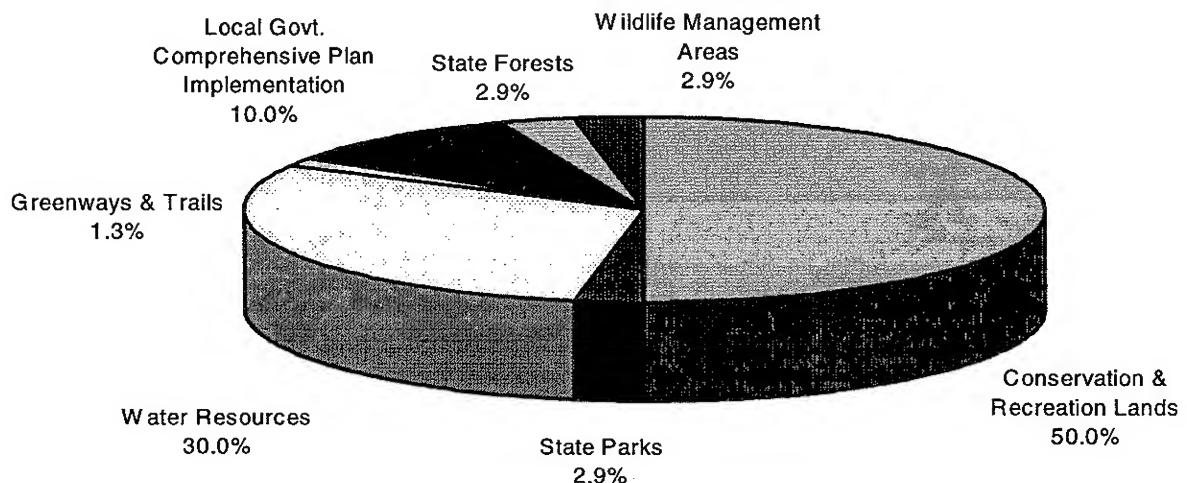


**1981:** Developing Save Our Coast and Save Our Rivers Programs.

One such program is Preservation 2000 (P2000), the most ambitious land acquisition program in the United States. P2000 consists of a \$3 billion land preservation fund based upon \$300 million in yearly bonded funds over ten years. Preservation 2000 bonds are issued to pay the cost of acquiring lands and related resources in furtherance of outdoor recreation and natural resources conservation. The bonds are secured by a pledge of a portion of the documentary stamp tax. As of June 30, 1998 the principal outstanding on the P2000 bonds was \$2,122,840,000 with maturities through fiscal year 2013.

The P2000 funds are distributed in the following way:

### **Distribution of P2000 Funds**



There are hundreds of locations that have been preserved through P2000. Florida state parks, recreational trails, estuaries, aquifers, springs, wetlands, prairies and a plethora of ecosystems have been purchased for public land use to ensure that future generations will be able to experience Florida--the way it used to be.

# ***Budgetary Statements***

## ***Budgetary Fund Types***

The legal basis fund types are the General Revenue Fund, numerous trust funds, the Budget Stabilization Fund, and the Working Capital Fund (also known as the "*Rainy Day Fund*"). See notes to the financial statements for a complete description of the budgetary process in the State of Florida.

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# STATE OF FLORIDA

## COMBINING STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS) - BUDGETARY GENERAL REVENUE FUND FOR THE FISCAL YEAR ENDED JUNE 30, 1998 (in thousands)

	Florida Legislature			Justice Administrative Commission		
	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
<b>GENERAL REVENUE</b>						
Operating expenditures:						
Salaries and benefits	\$ 110,498	\$ 103,320	\$ 7,178	\$ 310,069	\$ 310,051	\$ 18
Other personal services	7,670	5,871	1,799	2,270	2,261	9
Expenses	30,283	25,439	4,844	16,066	16,042	24
Grants and aids	.....	.....	.....	.....	.....	.....
Operating capital outlay	5,943	4,997	946	4,707	4,692	15
Food products	.....	.....	.....	.....	.....	.....
Fixed capital outlay	.....	.....	.....	.....	.....	.....
Lump sum	2,571	523	2,048	.....	.....	.....
Special categories	5,789	5,770	19	9,730	9,680	50
Financial assistance payments	.....	.....	.....	.....	.....	.....
Grants/aids to local govts./NFProfit	.....	.....	.....	.....	.....	.....
Data processing services	600	286	314	1,023	1,023	.....
Pensions and benefits	.....	.....	.....	.....	.....	.....
Claim bills and relief acts	.....	.....	.....	.....	.....	.....
Total Operating Expenditures	163,354	146,206	17,148	343,865	343,749	116
Nonoperating:						
Transfers to trust funds	.....	.....	.....	.....	.....	.....
Refunds	.....	.....	.....	.....	.....	.....
Other non-operating	.....	.....	.....	.....	.....	.....
Reissues	.....	.....	.....	.....	.....	.....
Total Nonoperating Expenditures	.....	.....	.....	.....	.....	.....
<b>TOTAL EXPENDITURES</b>	<b>\$ 163,354</b>	<b>\$ 146,206</b>	<b>\$ 17,148</b>	<b>\$ 343,865</b>	<b>\$ 343,749</b>	<b>\$ 116</b>

State Courts			Department of Environmental Protection		
Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
\$ 190,257	\$ 190,237	\$ 20	\$ 48,862	\$ 48,862	\$ .....
1,236	1,172	64	1,349	1,280	69
5,667	5,484	183	7,432	7,232	200
3,260	3,255	5	7,464	7,464	.....
679	643	36	454	438	16
.....	.....	.....	.....	.....	.....
250	250	.....	16,618	16,618	.....
.....	.....	.....	.....	.....	.....
14,940	14,353	587	2,879	2,654	225
.....	.....	.....	.....	.....	.....
.....	.....	.....	29,506	29,506	.....
588	587	1	1,159	1,159	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
216,877	215,981	896	115,723	115,213	510
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
\$ 216,877	\$ 215,981	\$ 896	\$ 115,723	\$ 115,213	\$ 510

# STATE OF FLORIDA

## COMBINING STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS) - BUDGETARY GENERAL REVENUE FUND FOR THE FISCAL YEAR ENDED JUNE 30, 1998 (in thousands)

	Department of Banking and Finance			Department of Education		
	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
<b>GENERAL REVENUE</b>						
Operating expenditures:						
Salaries and benefits	\$ 20,846	\$ 20,502	\$ 344	\$ 21,452	\$ 21,231	\$ 221
Other personal services	184	176	8	956	937	19
Expenses	9,850	9,109	741	7,664	7,626	38
Grants and aids	.....	.....	.....	7,295,982	7,293,416	2,566
Operating capital outlay	696	695	1	631	625	6
Food products	.....	.....	.....	.....	.....	.....
Fixed capital outlay	.....	.....	.....	.....	.....	.....
Lump sum	.....	.....	.....	.....	.....	.....
Special categories	2,024	1,489	535	193,058	192,101	957
Financial assistance payments	.....	.....	.....	29,688	29,279	409
Grants/aids to local govts./NFProfit	.....	.....	.....	2,812	2,812	.....
Data processing services	310	222	88	2,791	2,738	53
Pensions and benefits	.....	.....	.....	.....	.....	.....
Claim bills and relief acts	.....	.....	.....	.....	.....	.....
Total Operating Expenditures	33,910	32,193	1,717	7,555,034	7,550,765	4,269
Nonoperating:						
Transfers to trust funds	891,197	891,197	.....	.....	.....	.....
Refunds	206,529	206,529	.....	.....	.....	.....
Other non-operating	52	52	.....	.....	.....	.....
Reissues	789	789	.....	.....	.....	.....
Total Nonoperating Expenditures	1,098,567	1,098,567	.....	.....	.....	.....
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,132,477</b>	<b>\$ 1,130,760</b>	<b>\$ 1,717</b>	<b>\$ 7,555,034</b>	<b>\$ 7,550,765</b>	<b>\$ 4,269</b>

State University System			Department of Children and Families		
Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
\$ 771,013	\$ 770,962	\$ 51	\$ 395,973	\$ 392,572	\$ 3,401
142,463	142,332	131	9,972	9,564	408
252,049	252,046	3	101,427	101,159	268
.....	.....	.....	.....	.....	.....
62,412	62,411	1	3,452	3,433	19
.....	.....	.....	5,884	5,882	2
5,507	5,507	.....	1,275	1,275	.....
.....	.....	.....	.....	.....	.....
179,932	179,925	7	652,469	650,612	1,857
9,705	9,705	.....	292,425	290,379	2,046
9,100	9,100	.....	3,234	3,234	.....
12,509	12,431	78	40,753	40,753	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
1,444,690	1,444,419	271	1,506,864	1,498,863	8,001
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
28,728	28,728	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
28,728	28,728	.....	.....	.....	.....
\$ 1,473,418	\$ 1,473,147	\$ 271	\$ 1,506,864	\$ 1,498,863	\$ 8,001



# STATE OF FLORIDA

## COMBINING STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS) - BUDGETARY GENERAL REVENUE FUND FOR THE FISCAL YEAR ENDED JUNE 30, 1998 (in thousands)

	Department of Health			Agency for Health Care Administration		
	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
<b>GENERAL REVENUE</b>						
Operating expenditures:						
Salaries and benefits	\$ 44,201	\$ 43,837	\$ 364	\$ 14,037	\$ 14,032	\$ 5
Other personal services	1,740	1,510	230	701	694	7
Expenses	12,103	12,085	18	11,587	6,054	5,533
Grants and aids	214,742	214,424	318	.....	.....	.....
Operating capital outlay	1,486	1,450	36	125	96	29
Food products	90	89	1	.....	.....	.....
Fixed capital outlay	.....	.....	.....	.....	.....	.....
Lump sum	.....	.....	.....	.....	.....	.....
Special categories	95,204	94,461	743	2,274,852	2,274,842	10
Financial assistance payments	.....	.....	.....	.....	.....	.....
Grants/aids to local govts./NFProfit	.....	.....	.....	.....	.....	.....
Data processing services	2,141	2,141	.....	122	122	.....
Pensions and benefits	.....	.....	.....	.....	.....	.....
Claim bills and relief acts	358	358	.....	.....	.....	.....
Total Operating Expenditures	372,065	370,355	1,710	2,301,424	2,295,840	5,584
Nonoperating:						
Transfers to trust funds	.....	.....	.....	.....	.....	.....
Refunds	.....	.....	.....	44	44	.....
Other non-operating	.....	.....	.....	.....	.....	.....
Reissues	.....	.....	.....	.....	.....	.....
Total Nonoperating Expenditures	.....	.....	.....	44	44	.....
<b>TOTAL EXPENDITURES</b>	<b>\$ 372,065</b>	<b>\$ 370,355</b>	<b>\$ 1,710</b>	<b>\$ 2,301,468</b>	<b>\$ 2,295,884</b>	<b>\$ 5,584</b>

Department of Corrections			Department of Revenue		
Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
\$ 992,961	\$ 987,691	\$ 5,270	\$ 87,885	\$ 86,991	\$ 894
1,861	1,757	104	276	238	38
203,528	203,313	215	17,026	16,836	190
.....	.....	.....	.....	.....	.....
4,365	4,359	6	678	678	.....
50,766	46,427	4,339	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
194,691	189,357	5,334	14,218	14,218	.....
2,013	1,995	18	.....	.....	.....
.....	.....	.....	.....	.....	.....
5,422	5,415	7	813	813	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
1,455,607	1,440,314	15,293	120,896	119,774	1,122
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	1,134,804	1,134,804	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	1,134,804	1,134,804	.....
\$ 1,455,607	\$ 1,440,314	\$ 15,293	\$ 1,255,700	\$ 1,254,578	\$ 1,122

# STATE OF FLORIDA

## COMBINING STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS) - BUDGETARY GENERAL REVENUE FUND FOR THE FISCAL YEAR ENDED JUNE 30, 1998 (in thousands)

	Department of Highway Safety and Motor Vehicles			Juvenile Justice		
	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
<b>GENERAL REVENUE</b>						
Operating expenditures:						
Salaries and benefits	\$ 93,340	\$ 93,340	\$ .....	\$ 151,724	\$ 151,105	\$ 619
Other personal services	128	128	.....	1,628	1,335	293
Expenses	2,329	2,329	.....	32,170	31,883	287
Grants and aids	.....	.....	.....	.....	.....	.....
Operating capital outlay	890	887	3	517	509	8
Food products	.....	.....	.....	2,600	2,525	75
Fixed capital outlay	.....	.....	.....	.....	.....	.....
Lump sum	.....	.....	.....	.....	.....	.....
Special categories	15,087	15,051	36	290,740	288,403	2,337
Financial assistance payments	.....	.....	.....	.....	.....	.....
Grants/aids to local govts./NFProfit	.....	.....	.....	.....	.....	.....
Data processing services	5,710	5,710	.....	.....	.....	.....
Pensions and benefits	.....	.....	.....	.....	.....	.....
Claim bills and relief acts	.....	.....	.....	.....	.....	.....
Total Operating Expenditures	117,484	117,445	39	479,379	475,760	3,619
Nonoperating:						
Transfers to trust funds	.....	.....	.....	.....	.....	.....
Refunds	387	387	.....	.....	.....	.....
Other non-operating	.....	.....	.....	.....	.....	.....
Reissues	.....	.....	.....	.....	.....	.....
Total Nonoperating Expenditures	387	387	.....	.....	.....	.....
<b>TOTAL EXPENDITURES</b>	<b>\$ 117,871</b>	<b>\$ 117,832</b>	<b>\$ 39</b>	<b>\$ 479,379</b>	<b>\$ 475,760</b>	<b>\$ 3,619</b>

Other Departments			Totals		
Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
\$ 253,668	\$ 252,604	\$ 1,064	\$ 3,506,786	\$ 3,487,337	\$ 19,449
4,212	3,747	465	176,646	173,002	3,644
50,919	49,392	1,527	760,100	746,029	14,071
32,984	32,953	31	7,554,432	7,551,512	2,920
5,687	5,611	76	92,722	91,524	1,198
111	111	.....	59,451	55,034	4,417
3,415	3,415	.....	27,065	27,065	.....
.....	.....	.....	2,571	523	2,048
225,532	218,945	6,587	4,171,145	4,151,861	19,284
.....	.....	.....	333,831	331,358	2,473
23,140	23,140	.....	67,792	67,792	.....
3,355	3,331	24	77,296	76,731	565
6,878	6,224	654	6,878	6,224	654
1,250	1,250	.....	1,608	1,608	.....
611,151	600,723	10,428	16,838,323	16,767,600	70,723
23,031	23,031	.....	914,228	914,228	.....
.....	.....	.....	206,960	206,960	.....
.....	.....	.....	1,163,584	1,163,584	.....
.....	.....	.....	789	789	.....
23,031	23,031	.....	2,285,561	2,285,561	.....
\$ 634,182	\$ 623,754	\$ 10,428	\$ 19,123,884	\$ 19,053,161	\$ 70,723

# STATE OF FLORIDA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS) - ALL BUDGETARY TRUST FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 1998 (in thousands)

	Department of the Lottery			Department of Environmental Protection		
	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
Fund balances, July 1, 1997	\$ 29,353	\$ 29,353	\$ .....	\$ 1,187,249	\$ 1,187,249	\$ .....
Reversions	435	435	.....	10,819	10,819	.....
Fund balances, July 1, 1997, restated	29,788	29,788	.....	1,198,068	1,198,068	.....
<b>REVENUES</b>						
Direct:						
Fees	920,872	920,423	(449)	45,586	47,834	2,248
Licenses	.....	.....	.....	36,370	39,272	2,902
Taxes	.....	.....	.....	.....	.....	.....
Miscellaneous	1,823	1,831	8	517	515	(2)
Interest	4,096	4,562	466	72,449	78,885	6,436
Grants	.....	.....	.....	84,044	77,761	(6,283)
Refunds	20	118	98	5,619	6,066	447
Bond proceeds	.....	.....	.....	300,000	281,715	(18,285)
Other	.....	.....	.....	3,561	48,740	45,179
Total Direct Revenues	926,811	926,934	123	548,146	580,788	32,642
Indirect:						
Employee/employer contributions	.....	.....	.....	.....	.....	.....
Transfers and distributions	.....	.....	.....	770,668	823,504	52,836
Sale of investments	.....	.....	.....	.....	.....	.....
Other	5	6	1	2,086	2,166	80
Total Indirect Revenues	5	6	1	772,754	825,670	52,916
<b>TOTAL REVENUES</b>	<b>926,816</b>	<b>926,940</b>	<b>124</b>	<b>1,320,900</b>	<b>1,406,458</b>	<b>85,558</b>
<b>TOTAL AVAILABLE RESOURCES</b>	<b>956,604</b>	<b>956,728</b>	<b>124</b>	<b>2,518,968</b>	<b>2,604,526</b>	<b>85,558</b>
<b>EXPENDITURES</b>						
Operating:						
Salaries and benefits	28,854	28,590	264	126,790	126,099	691
Other personal services	1,513	1,375	138	29,162	24,051	5,111
Expenses	15,756	15,101	655	40,945	37,033	3,912
Grants and aids	.....	.....	.....	36,480	33,266	3,214
Operating capital outlay	2,116	2,058	58	8,164	7,191	973
Food products	.....	.....	.....	.....	.....	.....
Fixed capital outlay	.....	.....	.....	322,703	322,703	.....
Lump sum	.....	.....	.....	.....	.....	.....
Special categories	97,347	95,912	1,435	209,742	192,109	17,633
Financial assistance payments	.....	.....	.....	.....	.....	.....
Debt service	.....	.....	.....	.....	.....	.....
Grants/aids to local govts./NFProfit	.....	.....	.....	18,443	18,443	.....
Payments to U.S. Treasury	.....	.....	.....	.....	.....	.....
Data processing services	6	3	3	7,650	7,578	72
Pensions and benefits	.....	.....	.....	.....	.....	.....
Claim bills and relief acts	.....	.....	.....	58	58	.....
Special expenses	.....	.....	.....	.....	.....	.....
Total Operating Expenditures	145,592	143,039	2,553	800,137	768,531	31,606
Nonoperating:						
Transfers to trust funds	792,363	792,363	.....	175,514	175,514	.....
Purchase of investments	.....	.....	.....	.....	.....	.....
Refunds	13	13	.....	568	568	.....
Other non-operating	.....	.....	.....	275,168	275,168	.....
Reissues	4	4	.....	134	134	.....
Total Nonoperating Expenditures	792,380	792,380	.....	451,384	451,384	.....
<b>TOTAL EXPENDITURES</b>	<b>937,972</b>	<b>935,419</b>	<b>2,553</b>	<b>1,251,521</b>	<b>1,219,915</b>	<b>31,606</b>
<b>FUND BALANCES, JUNE 30, 1998</b>	<b>\$ 18,632</b>	<b>\$ 21,309</b>	<b>\$ 2,677</b>	<b>\$ 1,267,447</b>	<b>\$ 1,384,611</b>	<b>\$ 117,164</b>

Department of Banking and Finance		
Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
\$ 116,536	\$ 116,536	\$ .....
934	934	.....
117,470	117,470	.....

15,616	22,482	6,866
4,778	6,064	1,286
.....	.....	.....
.....	.....	.....
817	1,365	548
2,864	1,778	(1,086)
288	515	227
.....	.....	.....
142,477	143,203	726
166,840	175,407	8,567

.....	.....	.....
719,420	719,388	(32)
.....	.....	.....
95	3,582	3,487
719,515	722,970	3,455
886,355	898,377	12,022
1,003,825	1,015,847	12,022

18,338	17,271	1,067
1,532	967	565
4,902	4,210	692
2,700	1,595	1,105
2,631	2,500	131
.....	.....	.....
.....	.....	.....
.....	.....	.....
1,024	969	55
.....	.....	.....
.....	.....	.....
.....	.....	.....
1,094	465	629
.....	.....	.....
.....	.....	.....
.....	.....	.....
32,221	27,977	4,244

716,372	716,372	.....
.....	.....	.....
48,050	48,050	.....
201,728	201,728	.....
10	10	.....
966,160	966,160	.....
998,381	994,137	4,244
\$ 5,444	\$ 21,710	\$ 16,266

Department of Education		
Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
\$ 599,166	\$ 599,166	\$ .....
926	926	.....
600,092	600,092	.....

8,244	16,052	7,808
1,194	1,194	.....
631,440	634,213	2,773
.....	15	15
63,573	63,098	(475)
1,138,209	1,108,244	(29,965)
9,784	9,813	29
860,461	860,295	(166)
10	25,054	25,044
2,712,915	2,717,978	5,063

.....	.....	.....
1,025,093	1,066,405	41,312
.....	747	747
.....	2,341	2,341
1,025,093	1,069,493	44,400
3,738,008	3,787,471	49,463
4,338,100	4,387,563	49,463

20,947	19,719	1,228
3,610	2,919	691
11,792	8,602	3,190
1,431,825	1,431,364	461
856	647	209
.....	.....	.....
1,172,729	1,172,729	.....
.....	.....	.....
294,134	285,892	8,242
47,558	45,346	2,212
.....	.....	.....
.....	.....	.....
995	995	.....
1,057	434	623
.....	.....	.....
.....	.....	.....
.....	.....	.....
2,985,503	2,968,647	16,856

139,466	139,466	.....
.....	.....	.....
1,701	1,701	.....
302,609	302,609	.....
14	14	.....
443,790	443,790	.....
3,429,293	3,412,437	16,856
\$ 908,807	\$ 975,126	\$ 66,319

# STATE OF FLORIDA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS) - ALL BUDGETARY TRUST FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 1998 (in thousands)

	State University System			Department of Labor and Employment Security		
	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
Fund balances, July 1, 1997	\$ 640,867	\$ 640,867	\$ .....	\$ 2,123,959	\$ 2,123,959	\$ .....
Reversions	10,452	10,452	.....	19,195	19,195	.....
Fund balances, July 1, 1997, restated	651,319	651,319	.....	2,143,154	2,143,154	.....
<b>REVENUES</b>						
Direct:						
Fees	742,283	751,216	8,933	20,280	36,533	16,253
Licenses	.....	.....	.....	21	15	(6)
Taxes	.....	254	254	935,968	761,687	(174,281)
Miscellaneous	170,555	144,669	(25,886)	.....	.....	.....
Interest	19,067	36,769	17,702	136,654	150,407	13,753
Grants	668,985	597,206	(71,779)	660,363	439,133	(221,230)
Refunds	.....	1,889	1,889	20,756	14,954	(5,802)
Bond proceeds	.....	15,925	15,925	.....	.....	.....
Other	.....	4,378	4,378	6,644	3,261	(3,383)
Total Direct Revenues	1,600,890	1,552,306	(48,584)	1,780,686	1,405,990	(374,696)
Indirect:						
Employee/employer contributions	.....	.....	.....	.....	.....	.....
Transfers and distributions	157,888	539,027	381,139	783,441	685,053	(98,388)
Sale of investments	.....	.....	.....	.....	.....	.....
Other	.....	3,416	3,416	1,655	1,176	(479)
Total Indirect Revenues	157,888	542,443	384,555	785,096	686,229	(98,867)
<b>TOTAL REVENUES</b>	<b>1,758,778</b>	<b>2,094,749</b>	<b>335,971</b>	<b>2,565,782</b>	<b>2,092,219</b>	<b>(473,563)</b>
<b>TOTAL AVAILABLE RESOURCES</b>	<b>2,410,097</b>	<b>2,746,068</b>	<b>335,971</b>	<b>4,708,936</b>	<b>4,235,373</b>	<b>(473,563)</b>
<b>EXPENDITURES</b>						
Operating:						
Salaries and benefits	885,836	866,844	18,992	247,870	231,817	16,053
Other personal services	234,830	219,946	14,884	30,953	24,378	6,575
Expenses	417,058	356,534	60,524	105,151	97,243	7,908
Grants and aids	.....	.....	.....	50,628	40,274	10,354
Operating capital outlay	74,182	53,150	21,032	11,497	10,138	1,359
Food products	.....	.....	.....	80	80	.....
Fixed capital outlay	321,393	321,393	.....	1,878	1,878	.....
Lump sum	.....	.....	.....	.....	.....	.....
Special categories	118,508	99,937	18,571	486,502	358,512	127,990
Financial assistance payments	.....	.....	.....	1,630,529	698,058	932,471
Debt service	17,008	17,008	.....	.....	.....	.....
Grants/aids to local govts./NFProfit	.....	.....	.....	.....	.....	.....
Payments to U.S. Treasury	.....	.....	.....	.....	.....	.....
Data processing services	311	306	5	22,375	22,169	206
Pensions and benefits	.....	.....	.....	.....	.....	.....
Claim bills and relief acts	.....	.....	.....	.....	.....	.....
Special expenses	180	180	.....	.....	.....	.....
Total Operating Expenditures	2,069,306	1,935,298	134,008	2,587,463	1,484,547	1,102,916
Nonoperating:						
Transfers to trust funds	172,534	172,534	.....	584,510	584,510	.....
Purchase of investments	.....	.....	.....	.....	.....	.....
Refunds	1,945	1,945	.....	14,359	14,359	.....
Other non-operating	7,332	7,332	.....	16,678	16,678	.....
Reissues	197	197	.....	37	37	.....
Total Nonoperating Expenditures	182,008	182,008	.....	615,584	615,584	.....
<b>TOTAL EXPENDITURES</b>	<b>2,251,314</b>	<b>2,117,306</b>	<b>134,008</b>	<b>3,203,047</b>	<b>2,100,131</b>	<b>1,102,916</b>
<b>FUND BALANCES, JUNE 30, 1998</b>	<b>\$ 158,783</b>	<b>\$ 628,762</b>	<b>\$ 469,979</b>	<b>\$ 1,505,889</b>	<b>\$ 2,135,242</b>	<b>\$ 629,353</b>

Department of Transportation		
Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
\$ 413,790 9	\$ 413,790 9	\$ ..... .....
413,799	413,799	.....

272,989	7,178	(265,811)
.....	.....	.....
.....	6	6
27,697	37,610	9,913
.....	.....	.....
7,589	10,104	2,515
813,000	915,658	102,658
2	135,127	135,125
1,121,277	1,105,683	(15,594)

369,977	115,820	(254,157)
223	150	(73)
370,200	115,970	(254,230)
1,491,477	1,221,653	(269,824)
1,905,276	1,635,452	(269,824)

668	598	70
16	15	1
141	142	(1)
.....	.....	.....
.....	.....	.....
277,461	277,461	.....
5	5	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
278,291	278,221	70

400,557	400,557	.....
.....	.....	.....
74,497	74,497	.....
.....	.....	.....
475,054	475,054	.....
753,345	753,275	70
\$ 1,151,931	\$ 882,177	\$ (269,754)

Department of Children and Families		
Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
\$ 135,263 8,642	\$ 135,263 8,642	\$ ..... .....
143,905	143,905	.....

207,348	216,784	9,436
386	344	(42)
109	370	261
215	4,752	4,537
1,370,925	979,797	(391,128)
735	10,373	9,638
.....	.....	.....
137	288	151
1,579,855	1,212,708	(367,147)

191,089	186,034	(5,055)
811	4,506	3,695
191,900	190,540	(1,360)
1,771,755	1,403,248	(368,507)
1,915,660	1,547,153	(368,507)

447,251	439,180	8,071
13,398	8,660	4,738
67,592	63,943	3,649
.....	.....	.....
2,173	1,623	550
736	454	282
1,472	1,472	.....
.....	.....	.....
674,461	511,434	163,027
280,263	145,502	134,761
.....	.....	.....
.....	.....	.....
.....	.....	.....
31,208	31,208	.....
.....	.....	.....
.....	.....	.....
42	42	.....
1,518,596	1,203,518	315,078

226,703	226,703	.....
3,526	3,526	.....
882	882	.....
57	57	.....
231,168	231,168	.....
1,749,764	1,434,686	315,078
\$ 165,896	\$ 112,467	\$ (53,429)



# STATE OF FLORIDA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS) - ALL BUDGETARY TRUST FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 1998 (in thousands)

	Department of Health			Agency for Health Care Administration		
	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
Fund balances, July 1, 1997	\$ .....	\$ .....	\$ .....	\$ 163,720	\$ 163,720	\$ .....
Reversions	6,829	6,829	.....	20,530	20,530	.....
Fund balances, July 1, 1997, restated	6,829	6,829	.....	184,250	184,250	.....
<b>REVENUES</b>						
Direct:						
Fees	203,114	148,780	(54,334)	342,817	385,138	42,321
Licenses	6,367	42,319	35,952	9,711	9,655	(56)
Taxes	.....	.....	.....	.....	.....	.....
Miscellaneous	400,247	425,975	25,728	.....	.....	.....
Interest	3,666	4,297	631	6,544	10,174	3,630
Grants	557,797	488,038	(69,759)	3,871,512	3,127,309	(744,203)
Refunds	7,521	3,150	(4,371)	314,815	393,046	78,231
Bond proceeds	.....	.....	.....	.....	.....	.....
Other	865	1,559	694	1,201	1,371	170
<b>Total Direct Revenues</b>	<b>1,179,577</b>	<b>1,114,118</b>	<b>(65,459)</b>	<b>4,546,600</b>	<b>3,926,693</b>	<b>(619,907)</b>
Indirect:						
Employee/employer contributions	.....	.....	.....	.....	.....	.....
Transfers and distributions	430,780	473,587	42,807	330,417	282,679	(47,738)
Sale of investments	.....	2	2	.....	.....	.....
Other	68	95	27	.....	10	10
<b>Total Indirect Revenues</b>	<b>430,848</b>	<b>473,684</b>	<b>42,836</b>	<b>330,417</b>	<b>282,689</b>	<b>(47,728)</b>
<b>TOTAL REVENUES</b>	<b>1,610,425</b>	<b>1,587,802</b>	<b>(22,623)</b>	<b>4,877,017</b>	<b>4,209,382</b>	<b>(667,635)</b>
<b>TOTAL AVAILABLE RESOURCES</b>	<b>1,617,254</b>	<b>1,594,631</b>	<b>(22,623)</b>	<b>5,061,267</b>	<b>4,393,632</b>	<b>(667,635)</b>
<b>EXPENDITURES</b>						
Operating:						
Salaries and benefits	417,545	388,026	29,519	57,336	54,120	3,216
Other personal services	39,912	27,850	12,062	16,360	14,381	1,979
Expenses	141,575	124,918	16,657	31,718	21,101	10,617
Grants and aids	185,189	67,399	117,790	.....	.....	.....
Operating capital outlay	15,792	8,802	6,990	1,486	1,376	110
Food products	431	160	271	.....	.....	.....
Fixed capital outlay	.....	.....	.....	.....	.....	.....
Lump sum	.....	.....	.....	.....	.....	.....
Special categories	291,746	263,846	27,900	4,055,830	4,049,436	6,394
Financial assistance payments	.....	.....	.....	.....	.....	.....
Debt service	.....	.....	.....	.....	.....	.....
Grants/aids to local govts./NFP/Profit	.....	.....	.....	.....	.....	.....
Payments to U.S. Treasury	.....	.....	.....	.....	.....	.....
Data processing services	5,290	5,285	5	122	122	.....
Pensions and benefits	.....	.....	.....	.....	.....	.....
Claim bills and relief acts	.....	.....	.....	.....	.....	.....
Special expenses	.....	.....	.....	.....	.....	.....
<b>Total Operating Expenditures</b>	<b>1,097,480</b>	<b>886,286</b>	<b>211,194</b>	<b>4,162,852</b>	<b>4,140,536</b>	<b>22,316</b>
Nonoperating:						
Transfers to trust funds	15,299	15,299	.....	125,654	125,654	.....
Purchase of investments	.....	.....	.....	.....	.....	.....
Refunds	1,009	1,009	.....	5,595	5,595	.....
Other non-operating	4,244	4,244	.....	3,013	3,013	.....
Reissues	7	7	.....	14	14	.....
<b>Total Nonoperating Expenditures</b>	<b>20,559</b>	<b>20,559</b>	<b>.....</b>	<b>134,276</b>	<b>134,276</b>	<b>.....</b>
<b>TOTAL EXPENDITURES</b>	<b>1,118,039</b>	<b>906,845</b>	<b>211,194</b>	<b>4,297,128</b>	<b>4,274,812</b>	<b>22,316</b>
<b>FUND BALANCES, JUNE 30, 1998</b>	<b>\$ 499,215</b>	<b>\$ 687,786</b>	<b>\$ 188,571</b>	<b>\$ 764,139</b>	<b>\$ 118,820</b>	<b>\$ (645,319)</b>

Department of Management Services			Department of Revenue		
Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
\$ 179,520	\$ 179,520	\$ .....	\$ 704,201	\$ 704,201	\$ .....
1,949	1,949	.....	4,500	4,500	.....
181,469	181,469	.....	708,701	708,701	.....
210,701	199,581	(11,120)	220,965	177,602	(43,363)
.....	.....	.....	.....	.....	.....
.....	.....	.....	4,445,570	4,437,401	(8,169)
.....	.....	.....	13,730	9,655	(4,075)
12,295	11,997	(298)	.....	3,479	3,479
2,132	2,189	57	112,158	64,839	(47,319)
3,108	12,261	9,153	2	21,597	21,595
11,441	11,441	.....	.....	.....	.....
5,467	54,177	48,710	6	13,071	13,065
245,144	291,646	46,502	4,792,431	4,727,644	(64,787)
4,039,353	4,031,871	(7,482)	.....	.....	.....
289,060	296,262	7,202	2,041,404	2,086,461	45,057
2,023,778	2,023,778	.....	.....	.....	.....
208	25,212	25,004	1,956,015	1,950,992	(5,023)
6,352,399	6,377,123	24,724	3,997,419	4,037,453	40,034
6,597,543	6,668,769	71,226	8,789,850	8,765,097	(24,753)
6,779,012	6,850,238	71,226	9,498,551	9,473,798	(24,753)
63,483	60,580	2,903	101,964	99,067	2,897
4,400	3,765	635	3,351	1,756	1,595
40,983	33,983	7,000	34,887	31,974	2,913
.....	.....	.....	1,913,547	1,893,830	19,717
5,728	5,427	301	9,031	8,185	846
.....	.....	.....	.....	.....	.....
86,265	86,265	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
144,053	131,374	12,679	85,364	61,300	24,064
.....	.....	.....	564,050	521,928	42,122
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
8,711	8,132	579	17,253	17,219	34
1,918,218	1,852,950	65,268	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
2,271,841	2,182,476	89,365	2,729,447	2,635,259	94,188
117,627	117,627	.....	1,969,327	1,969,327	.....
3,489,136	3,489,136	.....	.....	.....	.....
4,580	4,580	.....	86,873	86,873	.....
895,920	895,920	.....	4,041,344	4,041,344	.....
143	143	.....	51	51	.....
4,507,406	4,507,406	.....	6,097,595	6,097,595	.....
6,779,247	6,689,882	89,365	8,827,042	8,732,854	94,188
\$ (235)	\$ 160,356	\$ 160,591	\$ 671,509	\$ 740,944	\$ 69,435

# STATE OF FLORIDA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS) - ALL BUDGETARY TRUST FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 1998 (in thousands)

	Department of Highway Safety and Motor Vehicles			Department of Business and Professional Regulation		
	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
Fund balances, July 1, 1997	\$ 63,680	\$ 63,680	\$ .....	\$ 61,740	\$ 61,740	\$ .....
Reversions	560	560	.....	2,406	2,406	.....
Fund balances, July 1, 1997, restated	64,240	64,240	.....	64,146	64,146	.....
<b>REVENUES</b>						
Direct:						
Fees	322,858	340,686	17,828	53,065	32,917	(20,148)
Licenses	518,186	594,489	76,303	129,946	72,350	(57,596)
Taxes	50	1,448	1,398	525,289	482,259	(43,030)
Miscellaneous	125	161	36	2,005	1,747	(258)
Interest	526	1,562	1,036	5,368	3,890	(1,478)
Grants	2,196	2,227	31	.....	.....	.....
Refunds	629	624	(5)	799	456	(343)
Bond proceeds	.....	.....	.....	.....	.....	.....
Other	57,678	76,351	18,673	9,026	5,090	(3,936)
Total Direct Revenues	902,248	1,017,548	115,300	725,498	598,709	(126,789)
Indirect:						
Employee/employer contributions	.....	.....	.....	.....	.....	.....
Transfers and distributions	50,782	52,003	1,221	60,285	45,616	(14,669)
Sale of investments	.....	.....	.....	.....	.....	.....
Other	32,190	32,209	19	85	205	120
Total Indirect Revenues	82,972	84,212	1,240	60,370	45,821	(14,549)
<b>TOTAL REVENUES</b>	<b>985,220</b>	<b>1,101,760</b>	<b>116,540</b>	<b>785,868</b>	<b>644,530</b>	<b>(141,338)</b>
<b>TOTAL AVAILABLE RESOURCES</b>	<b>1,049,460</b>	<b>1,166,000</b>	<b>116,540</b>	<b>850,014</b>	<b>708,676</b>	<b>(141,338)</b>
<b>EXPENDITURES</b>						
Operating:						
Salaries and benefits	92,499	92,243	256	66,948	65,262	1,686
Other personal services	6,272	5,680	592	7,120	6,460	660
Expenses	30,685	29,965	720	19,374	18,074	1,300
Grants and aids	21,500	19,490	2,010	39,773	39,642	131
Operating capital outlay	4,821	4,271	550	1,625	1,561	64
Food products	.....	.....	.....	.....	.....	.....
Fixed capital outlay	62	62	.....	.....	.....	.....
Lump sum	.....	.....	.....	.....	.....	.....
Special categories	25,180	24,664	516	19,923	16,124	3,799
Financial assistance payments	.....	.....	.....	620	220	400
Debt service	.....	.....	.....	.....	.....	.....
Grants/aids to local govts./NFProfit	.....	.....	.....	.....	.....	.....
Payments to U.S. Treasury	.....	.....	.....	.....	.....	.....
Data processing services	18,734	18,734	.....	3,054	3,025	29
Pensions and benefits	.....	.....	.....	.....	.....	.....
Claim bills and relief acts	.....	.....	.....	.....	.....	.....
Special expenses	.....	.....	.....	.....	.....	.....
Total Operating Expenditures	199,753	195,109	4,644	158,437	150,368	8,069
Nonoperating:						
Transfers to trust funds	805,469	805,469	.....	303,360	303,360	.....
Purchase of investments	.....	.....	.....	.....	.....	.....
Refunds	6,372	6,372	.....	2,244	2,244	.....
Other non-operating	91,074	91,074	.....	189,736	189,736	.....
Reissues	6	6	.....	27	27	.....
Total Nonoperating Expenditures	902,921	902,921	.....	495,367	495,367	.....
<b>TOTAL EXPENDITURES</b>	<b>1,102,674</b>	<b>1,098,030</b>	<b>4,644</b>	<b>653,804</b>	<b>645,735</b>	<b>8,069</b>
<b>FUND BALANCES, JUNE 30, 1998</b>	<b>\$ (53,214)</b>	<b>\$ 67,970</b>	<b>\$ 121,184</b>	<b>\$ 196,210</b>	<b>\$ 62,941</b>	<b>\$ (133,269)</b>

Other Departments			Totals		
Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
\$ 641,181	\$ 641,181	\$ .....	\$ 7,060,225	\$ 7,060,225	\$ .....
148,790	148,790	.....	236,976	236,976	.....
789,971	789,971	.....	7,297,201	7,297,201	.....
293,481	393,161	99,680	3,880,219	3,696,367	(183,852)
68,654	72,799	4,145	775,613	838,501	62,888
114,530	117,000	2,470	6,652,847	6,434,262	(218,585)
10,724	10,836	112	599,835	595,780	(4,055)
33,180	57,764	24,584	386,147	470,611	84,464
1,000,505	418,000	(582,505)	9,471,690	7,306,521	(2,165,169)
8,208	7,687	(521)	379,873	492,653	112,780
.....	.....	.....	1,984,902	2,085,034	100,132
190,168	324,383	134,215	417,242	836,053	418,811
1,719,450	1,401,630	(317,820)	24,548,368	22,755,782	(1,792,586)
.....	94,320	94,320	4,039,353	4,126,191	86,838
686,808	559,071	(127,737)	7,907,112	7,930,910	23,798
.....	656	656	2,023,778	2,025,183	1,405
552	853	301	1,993,993	2,026,919	32,926
687,360	654,900	(32,460)	15,964,236	16,109,203	144,967
2,406,810	2,056,530	(350,280)	40,512,604	38,864,985	(1,647,619)
3,196,781	2,846,501	(350,280)	47,809,805	46,162,186	(1,647,619)
328,081	297,834	30,247	2,904,410	2,787,250	117,160
52,430	41,151	11,279	444,859	383,354	61,505
157,124	134,002	23,122	1,119,683	976,825	142,858
151,422	122,243	29,179	3,833,064	3,649,103	183,961
41,364	33,756	7,608	181,466	140,685	40,781
3,356	2,799	557	4,603	3,493	1,110
81,766	81,766	.....	2,265,729	2,265,729	.....
68	.....	68	68	.....	68
1,242,512	773,199	469,313	7,746,331	6,864,713	881,618
.....	.....	.....	2,523,020	1,411,054	1,111,966
.....	.....	.....	17,008	17,008	.....
83,579	83,579	.....	102,022	102,022	.....
10,670	10,670	.....	11,665	11,665	.....
5,493	4,826	667	122,358	119,506	2,852
.....	.....	.....	1,918,218	1,852,950	65,268
.....	.....	.....	58	58	.....
150	150	.....	372	372	.....
2,158,015	1,585,975	572,040	23,194,934	20,585,787	2,609,147
185,440	185,440	.....	6,730,195	6,730,195	.....
.....	.....	.....	3,489,136	3,489,136	.....
7,964	7,964	.....	184,799	184,799	.....
416,348	416,348	.....	6,520,573	6,520,573	.....
203	203	.....	904	904	.....
609,955	609,955	.....	16,925,607	16,925,607	.....
2,767,970	2,195,930	572,040	40,120,541	37,511,394	2,609,147
\$ 428,811	\$ 650,571	\$ 221,760	\$ 7,689,264	\$ 8,650,792	\$ 961,528



## Marjory Stoneman Douglas

(1890-1998)



"There are no other Everglades in the World. They are, they always have been, never wholly known. Nothing anywhere else is like them; their vast glittering openness, wider than the enormous visible round of the horizon, the racing free saltiness and sweetness of their massive winds, under the dazzling blue heights of space. They are unique also in the simplicity, the forms of life they enclose . . . It is a river of grass."

Marjory Stoneman Douglas, in *The Everglades: River of Grass*

Marjory Stoneman Douglas is a name that is synonymous with the Everglades. She was a force to be reckoned with. Often called the "mother of the Everglades", she was an environmentalist, activist, feminist and independent thinker for much longer than most of us have been around. At her death in 1998, she was 108 years old.

Ms. Douglas was born April 7, 1890 in Minneapolis, Minnesota. In 1915, she moved to Miami and began working for her father, Judge Frank Stoneman, who was the founder and editor of *The Miami Herald*. She worked as a society reporter, then as an editorial page columnist. She was most well known for her best-selling book, *The Everglades: River of Grass*. The book was first published in 1947, the same year the Everglades National Park was established. Her book awakened residents and visitors to the notion of the Everglades as a vast, flowing river. In *River of Grass*, she portrayed the strange beauty of the region, the diversity of its wildlife and the history of its native people. She also explained its importance as the region's watershed and modern civilization's impact on this fragile ecosystem.

Twenty years after publication of *River of Grass*, when she was 78 (an age when most people are content to occupy a rocking chair), she became active in the movement to preserve the Everglades. She served on committees which created the Everglades and Biscayne National Parks, formed the Friends of the Everglades (she remained head of the organization until right before her death) and she spearheaded legislation to protect the parks and their wildlife. Ms. Douglas was inducted into the Women's Hall of Fame in 1986 and awarded the Presidential Medal of Honor in 1993.

In 1987, John Rothchild wrote Ms. Douglas' autobiography, *Marjory Stoneman Douglas: Voice of the River*. The book summarizes the Everglades' role as the major watershed for South Florida. Ms. Douglas had a very tell-it-like-it-is approach in dealing with conservation issues and spoke out to defend the fragile ecosystem of the Everglades. "I'll talk about the Everglades at the drop of a hat. Whoever wants me to talk, I'll come over and tell them about the necessity of preserving the Everglades. Sometimes, I tell them more than they wanted to know." She never missed an opportunity to remind us all of our responsibility to nature.

This little old lady in the floppy hat, the dark-rimmed sunglasses and the old-fashioned flowery dress spoke with a clear and powerful voice using common sense to communicate the importance of the Everglades to all of Florida's inhabitants. Newspapers described the 5-foot, 1-inch woman as feisty and full of spunk. When she passed away on May 14, 1998, she left behind a legacy of wonderful words that tells the story of a wild and beautiful place. As long as people read and remember, she will never truly die.

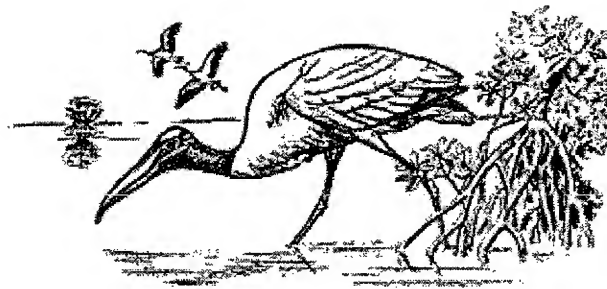


C O M P O N E N T  
C O M B I N I N G *Unit*



Florida Panther  
(Endangered Species)

F I N A N C I A L  
*Statements*



## **WOOD STORK**

Species: "*Mycteria americana*"

### **Reasons for Endangered Status:**

The United States breeding population of the wood stork has declined from an estimated 20,000 pairs in the 1930s to about 10,000 pairs by 1960. Since 1978, fewer than 5,000 pairs have bred each year. If this trend continues, the United States breeding population will be near extinction by the turn of the century. The decline is believed to be due primarily to the loss of suitable feeding habitat. Feeding areas in south Florida have decreased by about 35 percent since 1990 due to man's alteration of wetlands. Also, south Florida rookeries have had repeated nesting failures despite protection of these areas.

## *Other Component Units*

Component units are organizations which are legally separate from the State, and for which the State is financially accountable, or whose relationships with the State are such that inclusion would cause the State's financial statements to be misleading or incomplete. These legally separate organizations are managed independently, outside the State's budgeting process, and their powers generally are vested in a governing board pursuant to various State statutes. The following combining statements exclude the state community colleges and their respective direct-support organizations, which are shown separately on the combined financial statements.

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Due to the large number of State Component units, the accompanying financial statements present combining financial data for other component units aggregated in two levels as follows:

(1) governmental fund types and not-for-profit organizations; proprietary fund types; agency fund types; and account groups; and (2) the State agency with which they are associated.

**Governmental Fund Types and Not-For-Profit Organizations** - This category accounts for the acquisition, use and balances of other component units' expendable financial resources and related current liabilities, except those accounted for in proprietary funds. This group of other component units includes water management districts, transportation authorities and direct support organizations of the State University System and historic preservation boards.

**Proprietary Fund Types** - This category accounts for other component units' activities that are similar to those often found in the private sector. This group of other component units includes: a water management district, two transportation authorities, three insurance funds and the Prison Rehabilitative Industries and Diversified Enterprises, Inc.

**Agency Fund Types** - Agency fund types are custodial in nature. Other component units in this group include water management districts and transportation authorities and primarily consist of their deferred compensation plans.

**Account Groups** - The account groups provide accountability for and control of other component units' general fixed assets and general long-term debt. Other component units in this group include water management districts and transportation authorities.



# STATE OF FLORIDA

## COMBINING BALANCE SHEET ALL FUND TYPES AND ACCOUNT GROUPS DISCRETELY PRESENTED OTHER COMPONENT UNITS JUNE 30, 1998

	Governmental Fund Types and Not-For-Profits	Proprietary Fund Types	Agency Fund Types	Account Groups	Total 6/30/98
<b>ASSETS</b>					
Cash and cash equivalents	\$ 221,270	\$ 25,935	\$ .....	\$ .....	\$ 247,205
Investments	1,740,856	64,975	44,634	.....	1,850,465
Receivables, net	370,380	18,450	.....	.....	388,830
Due from other funds	23,665	.....	.....	.....	23,665
Due from component units/primary	411,338	252,995	.....	.....	664,333
Inventories	7,558	12,785	.....	.....	20,343
Loans and notes receivable, net	31,089	.....	.....	.....	31,089
Restricted cash and cash equivalents	.....	5,670	.....	.....	5,670
Restricted investments	.....	254,600	.....	.....	254,600
Deferred fiscal charges and other assets	231,162	15,945	.....	.....	247,107
Land	46,884	12,498	.....	1,288,277	1,347,659
Buildings and improvements	429,325	992,470	.....	128,502	1,550,297
Furniture and equipment	233,199	244,163	.....	550,537	1,027,899
Construction in progress	21,482	141,638	.....	95,438	258,558
Accumulated depreciation	(23,369)	(55,660)	.....	.....	(79,029)
Amount available in debt service fund	.....	.....	.....	85,391	85,391
Amount to be provided	.....	.....	.....	316,528	316,528
<b>TOTAL ASSETS</b>	<b>\$ 3,744,839</b>	<b>\$ 1,986,464</b>	<b>\$ 44,634</b>	<b>\$ 2,464,673</b>	<b>\$ 8,240,610</b>
<b>LIABILITIES AND FUND EQUITY</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 185,933	\$ 351,108	\$ 8,411	\$ 11,017	\$ 556,469
Due to other funds	23,665	.....	.....	.....	23,665
Due to component units/primary	149,960	129,686	.....	20,545	300,191
Bonds payable	439,704	1,109,595	.....	337,065	1,886,364
Notes and leases payable	14,856	5,039	.....	1,927	21,822
Deferred revenues	182,425	2,366	.....	.....	184,791
Compensated absences	10,562	293	.....	17,336	28,191
Other liabilities	179,523	8,370	36,223	14,029	238,145
<b>Total Liabilities</b>	<b>1,186,628</b>	<b>1,606,457</b>	<b>44,634</b>	<b>401,919</b>	<b>3,239,638</b>
Fund Equity:					
Contributed capital	.....	112,524	.....	.....	112,524
Investment in fixed assets	974	.....	.....	2,062,754	2,063,728
Retained Earnings:					
Reserved	.....	149,555	.....	.....	149,555
Unreserved	.....	117,928	.....	.....	117,928
Fund Balances:					
Reserved	300,996	.....	.....	.....	300,996
Unreserved	2,256,241	.....	.....	.....	2,256,241
<b>Total Fund Equity</b>	<b>2,558,211</b>	<b>380,007</b>	<b>.....</b>	<b>2,062,754</b>	<b>5,000,972</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 3,744,839</b>	<b>\$ 1,986,464</b>	<b>\$ 44,634</b>	<b>\$ 2,464,673</b>	<b>\$ 8,240,610</b>

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***Other Component Units -  
Governmental Fund Types  
and Not-For-Profit  
Organizations***

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# STATE OF FLORIDA

**COMBINING BALANCE SHEET**  
**ALL GOVERNMENTAL FUND TYPES AND NOT-FOR-PROFIT ORGANIZATIONS**  
**DISCRETELY PRESENTED OTHER COMPONENT UNITS**  
**JUNE 30, 1998**  
**(in thousands)**

	Departments of				
	Environmental Protection	State	Insurance	Education	
				SUS DSO's	Education DSO
<b>ASSETS</b>					
Cash and cash equivalents	\$ 37,687	\$ 2,524	\$ .....	\$ 148,524	\$ 325
Investments	220,640	1,688	.....	1,413,355	11,029
Receivables, net	6,029	655	.....	356,900	331
Due from other funds	23,665	.....	.....	.....	.....
Due from component units/primary	334,976	.....	.....	67,665	.....
Inventories	1,348	367	.....	4,032	96
Loans and notes receivable, net	.....	.....	.....	4,037	.....
Deferred fiscal charges and other assets	680	116	.....	140,400	131
Land	.....	107	.....	43,498	152
Buildings and improvements	.....	651	.....	376,736	684
Furniture and equipment	.....	1,797	.....	224,385	2,105
Construction in progress	.....	131	.....	21,052	.....
Accumulated depreciation	.....	(1,592)	.....	.....	(229)
<b>TOTAL ASSETS</b>	<b>\$ 625,025</b>	<b>\$ 6,444</b>	<b>\$ .....</b>	<b>\$ 2,800,584</b>	<b>\$ 14,624</b>
<b>LIABILITIES AND FUND EQUITY</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 38,058	\$ 560	\$ .....	\$ 132,203	\$ 143
Due to other funds	23,665	.....	.....	.....	.....
Due to component units/primary	1,844	.....	.....	146,754	.....
Bonds payable	.....	.....	.....	439,704	.....
Notes and leases payable	.....	.....	.....	14,583	.....
Deferred revenues	7,452	484	.....	83,707	1,038
Compensated absences	.....	.....	.....	10,482	.....
Other liabilities	88	.....	.....	135,643	2,079
<b>Total Liabilities</b>	<b>71,107</b>	<b>1,044</b>	<b>.....</b>	<b>963,076</b>	<b>3,260</b>
Fund Equity:					
Investment in fixed assets	.....	931	.....	.....	.....
Fund Balances:					
Reserved	206,390	3,334	.....	15,796	.....
Unreserved	347,528	1,135	.....	1,821,712	11,364
<b>Total Fund Equity</b>	<b>553,918</b>	<b>5,400</b>	<b>.....</b>	<b>1,837,508</b>	<b>11,364</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 625,025</b>	<b>\$ 6,444</b>	<b>\$ .....</b>	<b>\$ 2,800,584</b>	<b>\$ 14,624</b>

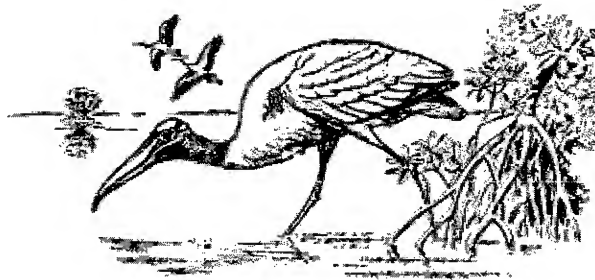
<u>Transportation</u>	<u>Executive Office of the Governor</u>	<u>Public Service Commission</u>	<u>Agency for Health Care Administration</u>	<u>Other</u>	<u>Total 6/30/98</u>
\$ 257	\$ 19,180	\$ 1,220	\$ 5,657	\$ 5,896	\$ 221,270
79,167	6,966	.....	.....	8,011	1,740,856
294	4,097	1,121	579	374	370,380
.....	.....	.....	.....	.....	23,665
4,264	.....	.....	.....	4,433	411,338
.....	1,708	.....	.....	7	7,558
.....	27,052	.....	.....	.....	31,089
86,251	3,270	4	8	302	231,162
.....	750	.....	.....	2,377	46,884
.....	19,854	.....	.....	31,400	429,325
.....	1,325	16	134	3,437	233,199
.....	175	.....	.....	124	21,482
.....	(1,538)	.....	.....	(20,010)	(23,369)
<b>\$ 170,233</b>	<b>\$ 82,839</b>	<b>\$ 2,361</b>	<b>\$ 6,378</b>	<b>\$ 36,351</b>	<b>\$ 3,744,839</b>
\$ 1,176	\$ 11,803	\$ 1,132	\$ 92	\$ 766	\$ 185,933
.....	.....	.....	.....	.....	23,665
1	1,361	.....	.....	.....	149,960
.....	.....	.....	.....	.....	439,704
.....	273	.....	.....	.....	14,856
86,250	1,685	.....	1,203	606	182,425
.....	80	.....	.....	.....	10,562
.....	41,630	.....	.....	83	179,523
<b>87,427</b>	<b>56,832</b>	<b>1,132</b>	<b>1,295</b>	<b>1,455</b>	<b>1,186,628</b>
.....	.....	.....	.....	43	974
74,820	.....	.....	271	385	300,996
7,986	26,007	1,229	4,812	34,468	2,256,241
<b>82,806</b>	<b>26,007</b>	<b>1,229</b>	<b>5,083</b>	<b>34,896</b>	<b>2,558,211</b>
<b>\$ 170,233</b>	<b>\$ 82,839</b>	<b>\$ 2,361</b>	<b>\$ 6,378</b>	<b>\$ 36,351</b>	<b>\$ 3,744,839</b>

# STATE OF FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUND TYPES AND NOT-FOR-PROFIT ORGANIZATIONS**  
**DISCRETELY PRESENTED OTHER COMPONENT UNITS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**  
(in thousands)

	Departments of				
	Education				
	Environmental Protection	State	Insurance	SUS DSO's	Education DSO's
<b>REVENUES</b>					
Taxes	\$ 338,688	\$ .....	\$ .....	\$ .....	\$ .....
Licenses and permits	11,054	.....	.....	.....	.....
Fees and charges	14,449	3,707	23,070	1,162,850	171
Grants and donations	34,043	1,979	.....	250,522	4,525
Investment earnings	30,320	241	.....	211,496	1,028
Fines, forfeits and judgments	2	.....	.....	.....	.....
Refunds	.....	.....	.....	48	.....
Other	8,917	.....	.....	63,099	.....
<b>TOTAL REVENUES</b>	<b>437,473</b>	<b>5,927</b>	<b>23,070</b>	<b>1,688,015</b>	<b>5,724</b>
<b>EXPENDITURES</b>					
Current:					
Expenditures	327,552	6,736	.....	1,202,927	6,965
Capital outlay	185,038	.....	.....	.....	.....
Debt service:					
Principal retirement	7,846	.....	.....	.....	.....
Interest and fiscal charges	9,242	.....	.....	.....	.....
<b>TOTAL EXPENDITURES</b>	<b>529,678</b>	<b>6,736</b>	<b>.....</b>	<b>1,202,927</b>	<b>6,965</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(92,205)</b>	<b>(809)</b>	<b>23,070</b>	<b>485,088</b>	<b>(1,241)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	32,699	.....	.....	.....	.....
Operating transfers out	(32,699)	.....	.....	.....	.....
Transfers in from component units/primary	153,616	.....	.....	5,719	.....
Transfers out to component units/primary	.....	.....	.....	(165,476)	.....
Proceeds of financing agreements	1,335	.....	.....	.....	.....
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>154,951</b>	<b>.....</b>	<b>.....</b>	<b>(159,757)</b>	<b>.....</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>62,746</b>	<b>(809)</b>	<b>23,070</b>	<b>325,331</b>	<b>(1,241)</b>
Fund Balances, July 1	491,172	5,278	(23,070)	1,683,908	12,605
Adjustments to increase (decrease) beginning fund balances	.....	.....	.....	(171,731)	.....
Fund Balances, July 1, as restated	491,172	5,278	(23,070)	1,512,177	12,605
Residual Equity Transfers	.....	.....	.....	.....	.....
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 553,918</b>	<b>\$ 4,469</b>	<b>\$ .....</b>	<b>\$ 1,837,508</b>	<b>\$ 11,364</b>

<u>Transportation</u>	<u>Executive Office of the Governor</u>	<u>Public Service Commission</u>	<u>Agency for Health Care Administration</u>	<u>Other</u>	<u>Total 6/30/98</u>
\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ 338,688
.....	1,400	.....	.....	.....	12,454
222	9,428	13,180	.....	12,497	1,239,574
1,214	12,877	.....	15,856	7,556	328,572
11,561	80	80	44	417	255,267
.....	.....	.....	.....	14	16
.....	.....	.....	.....	.....	48
.....	3,375	.....	5,520	992	81,903
<b>12,997</b>	<b>27,160</b>	<b>13,260</b>	<b>21,420</b>	<b>21,476</b>	<b>2,256,522</b>
1,239	55,018	13,264	17,344	18,541	1,649,586
4,269	.....	.....	.....	35	189,342
49	.....	.....	.....	.....	7,895
9,751	884	.....	.....	.....	19,877
<b>15,308</b>	<b>55,902</b>	<b>13,264</b>	<b>17,344</b>	<b>18,576</b>	<b>1,866,700</b>
<b>(2,311)</b>	<b>(28,742)</b>	<b>(4)</b>	<b>4,076</b>	<b>2,900</b>	<b>389,822</b>
6,440	.....	.....	.....	.....	39,139
(6,440)	.....	.....	.....	.....	(39,139)
2,166	44,220	.....	.....	.....	205,721
.....	.....	.....	.....	.....	(165,476)
.....	.....	.....	.....	.....	1,335
<b>2,166</b>	<b>44,220</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>41,580</b>
<b>(145)</b>	<b>15,478</b>	<b>(4)</b>	<b>4,076</b>	<b>2,900</b>	<b>431,402</b>
86,864	10,529	1,233	1,007	31,953	2,301,479
(1,088)	.....	.....	.....	.....	(172,819)
85,776	10,529	1,233	1,007	31,953	2,128,660
(2,825)	.....	.....	.....	.....	(2,825)
<b>\$ 82,806</b>	<b>\$ 26,007</b>	<b>\$ 1,229</b>	<b>\$ 5,083</b>	<b>\$ 34,853</b>	<b>\$ 2,557,237</b>



## **WOOD STORK**

Species: "*Mycteria americana*"

### **The Wood Stork in the Everglades:**

Like the wood stork the Everglades ecosystem is now endangered. Storks were once more abundant in the southern Florida wetlands than in any other region throughout the southeastern United States. Wood storks should thrive in the Everglades because its species does best in tropical and sub-tropical zones with distinct wet and dry seasons. The wood stork's feeding technique is most effective when water levels are dropping as a result of prolonged dry periods. Wood stork colonies numbered as high as 2,500 pairs as recently as 1960. Water control structures and unnatural water delivery has increased the wood stork's decline during the past 30 years. By the mid-1980s only 250 pairs of wood storks were still nesting in Everglades National Park.

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*Other Component Units -  
Proprietary Fund Types*

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# STATE OF FLORIDA

**COMBINING BALANCE SHEET  
ALL PROPRIETARY FUND TYPES  
DISCRETELY PRESENTED OTHER COMPONENT UNITS  
JUNE 30, 1998  
(in thousands)**

	Departments of				Total 6/30/98
	Environmental Protection	Insurance	Transportation	Corrections	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 4,621	\$ 450	\$ 18,298	\$ 2,566	\$ 25,935
Investments	.....	30,469	31,125	3,381	64,975
Receivables, net	29	4,705	10,175	3,541	18,450
Due from component units/primary	.....	196,022	52,393	4,580	252,995
Inventories	.....	.....	4,213	8,572	12,785
Restricted cash and cash equivalents	.....	.....	5,170	500	5,670
Restricted investments	.....	.....	254,600	.....	254,600
Deferred fiscal charges and other assets	180	583	15,053	129	15,945
Land	.....	.....	10,782	1,716	12,498
Buildings and improvements	.....	.....	969,528	22,942	992,470
Furniture and equipment	.....	144	215,884	28,135	244,163
Construction in progress	.....	.....	141,638	.....	141,638
Accumulated depreciation	.....	.....	(30,426)	(25,234)	(55,660)
<b>TOTAL ASSETS</b>	<b>\$ 4,830</b>	<b>\$ 232,373</b>	<b>\$ 1,698,433</b>	<b>\$ 50,828</b>	<b>\$ 1,986,464</b>
<b>LIABILITIES AND FUND EQUITY</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 3,690	\$ 198,121	\$ 145,557	\$ 3,740	\$ 351,108
Due to component units/primary	.....	.....	129,421	265	129,686
Bonds payable	.....	.....	1,109,595	.....	1,109,595
Notes and leases payable	.....	.....	4,598	441	5,039
Deferred revenues	.....	2,143	223	.....	2,366
Compensated absences	132	.....	161	.....	293
Other liabilities	.....	1,598	415	6,357	8,370
<b>Total Liabilities</b>	<b>3,822</b>	<b>201,862</b>	<b>1,389,970</b>	<b>10,803</b>	<b>1,606,457</b>
Fund Equity:					
Contributed capital	.....	6,226	106,298	.....	112,524
Retained Earnings:					
Reserved	.....	9,040	140,515	.....	149,555
Unreserved	1,008	15,245	61,650	40,025	117,928
<b>Total Fund Equity</b>	<b>1,008</b>	<b>30,511</b>	<b>308,463</b>	<b>40,025</b>	<b>380,007</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 4,830</b>	<b>\$ 232,373</b>	<b>\$ 1,698,433</b>	<b>\$ 50,828</b>	<b>\$ 1,986,464</b>

# STATE OF FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS**  
**ALL PROPRIETARY FUND TYPES**  
**DISCRETELY PRESENTED OTHER COMPONENT UNITS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 1998**  
**(in thousands)**

	Departments of				
	Environmental Protection	Insurance	Transportation	Corrections	Total 6/30/98
<b>OPERATING REVENUES</b>					
Sales -- nonstate	\$ 3,124	\$ 18,534	\$ 118,583	\$ 83,208	\$ 223,449
Other	8	4,584	.....	.....	4,592
<b>TOTAL OPERATING REVENUES</b>	<b>3,132</b>	<b>23,118</b>	<b>118,583</b>	<b>83,208</b>	<b>228,041</b>
<b>OPERATING EXPENSES</b>					
Personal services	791	180	44,625	.....	45,596
Contractual services	792	1,699	.....	.....	2,491
Materials and supplies	23	161	54	5,548	5,786
Depreciation	.....	56	4,774	.....	4,830
Interest and fiscal charges	.....	17	.....	.....	17
Insurance claims	1,396	17,739	.....	.....	19,135
Repairs and maintenance	.....	.....	10,074	.....	10,074
Cost of goods sold	.....	.....	.....	75,096	75,096
<b>TOTAL OPERATING EXPENSES</b>	<b>3,002</b>	<b>19,852</b>	<b>59,527</b>	<b>80,644</b>	<b>163,025</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>130</b>	<b>3,266</b>	<b>59,056</b>	<b>2,564</b>	<b>65,016</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Grants and contributions	.....	.....	10,584	2,458	13,042
Investment earnings	340	12,025	16,406	.....	28,771
Interest and fiscal charges	.....	.....	(60,027)	(48)	(60,075)
Property disposition gain/(loss)	.....	.....	.....	(2,452)	(2,452)
Grant expense and client benefits	.....	.....	.....	(857)	(857)
Other	.....	(223)	(1,465)	(1,072)	(2,760)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>340</b>	<b>11,802</b>	<b>(34,502)</b>	<b>(1,971)</b>	<b>(24,331)</b>
<b>INCOME/(LOSS) BEFORE OPERATING TRANSFERS</b>	<b>470</b>	<b>15,068</b>	<b>24,554</b>	<b>593</b>	<b>40,685</b>
Transfers in from component units/primary	.....	.....	4,759	.....	4,759
Transfers out to component units/primary	.....	.....	(41,761)	.....	(41,761)
<b>NET INCOME/(LOSS)</b>	<b>470</b>	<b>15,068</b>	<b>(12,448)</b>	<b>593</b>	<b>3,683</b>
Retained Earnings, July 1	538	9,217	213,168	39,432	262,355
Adjustments to increase (decrease) beginning retained earnings	.....	.....	(1,380)	.....	(1,380)
Retained Earnings, July 1, as restated	538	9,217	211,788	39,432	260,975
Residual Equity Transfers	.....	.....	2,825	.....	2,825
<b>RETAINED EARNINGS, JUNE 30</b>	<b>\$ 1,008</b>	<b>\$ 24,285</b>	<b>\$ 202,165</b>	<b>\$ 40,025</b>	<b>\$ 267,483</b>

# STATE OF FLORIDA

**COMBINING STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES  
DISCRETELY PRESENTED OTHER COMPONENT UNITS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1998  
(in thousands)**

	Departments of				Total
	Environmental Protection	Insurance	Transportation	Corrections	6/30/98
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash from customers and users	\$ 3,132	\$ 5,230	\$ 117,866	\$ 85,413	\$ 211,641
Cash paid to suppliers and vendors	(1,686)	(2,691)	(24,611)	(78,797)	(107,785)
Cash paid to employees	(777)	(270)	(25,025)	.....	(26,072)
Cash paid for insurance claims	.....	(13,593)	.....	.....	(13,593)
<b>NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES</b>	<b>669</b>	<b>(11,324)</b>	<b>68,230</b>	<b>6,616</b>	<b>64,191</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Transfers in from other funds	.....	.....	14,340	.....	14,340
Advances from other funds	.....	.....	15,006	.....	15,006
Transfers out to other funds	(391)	.....	(669)	.....	(1,060)
Advances to other funds	.....	.....	(4,901)	.....	(4,901)
<b>NET CAPITAL PROVIDED/(USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>(391)</b>	<b>.....</b>	<b>23,776</b>	<b>.....</b>	<b>23,385</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Proceeds from sale of fixed assets	.....	.....	29,306	.....	29,306
Proceeds from sale of bonds	.....	.....	259,984	.....	259,984
Payment of bonds and loans	.....	.....	(71,191)	.....	(71,191)
Principal on installment purchases/leases	.....	.....	(1,645)	.....	(1,645)
Payment of interest	.....	(18)	(55,149)	(35)	(55,202)
Purchase or construction of fixed assets	.....	.....	(99,403)	.....	(99,403)
<b>NET CASH PROVIDED/(USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>.....</b>	<b>(18)</b>	<b>61,902</b>	<b>(35)</b>	<b>61,849</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Sale or maturity of investments	.....	26,572	350,781	730	378,083
Interest received	340	11,644	13,995	.....	25,979
Purchase of investments	.....	(26,824)	(504,526)	(6,299)	(537,649)
<b>NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES</b>	<b>340</b>	<b>11,392</b>	<b>(139,750)</b>	<b>(5,569)</b>	<b>(133,587)</b>
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>618</b>	<b>50</b>	<b>14,158</b>	<b>1,012</b>	<b>15,838</b>
Cash and cash equivalents, July 1	4,003	400	9,310	2,054	15,767
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<b>\$ 4,621</b>	<b>\$ 450</b>	<b>\$ 23,468</b>	<b>\$ 3,066</b>	<b>\$ 31,605</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
OPERATING INCOME/(LOSS)	\$ 130	\$ 3,266	\$ 59,056	\$ 2,564	\$ 65,016
Adjustment to reconcile operating income to net cash provided/(used) by operating activities:					
Depreciation and amortization expense	.....	56	4,774	.....	4,830
(Increase)/decrease in accounts receivable	2	5,106	(1,135)	5,930	9,903
(Increase)/decrease in due from other funds	.....	(22,125)	811	(4,580)	(25,894)
(Increase)/decrease in inventories	.....	.....	(1,782)	1,185	(597)
Increase/(decrease) in accounts payable	523	3,130	(4,551)	1,253	355
Increase/(decrease) in compensated absences	14	.....	(1)	.....	13
Increase/(decrease) in due to other funds	.....	.....	11,061	264	11,325
Increase/(decrease) in deferred revenues	.....	(757)	(3)	.....	(760)
<b>NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES</b>	<b>\$ 669</b>	<b>\$ (11,324)</b>	<b>\$ 68,230</b>	<b>\$ 6,616</b>	<b>\$ 64,191</b>

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*Other Component Units -  
Agency Fund Types*

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# STATE OF FLORIDA

**COMBINING BALANCE SHEET**  
**ALL AGENCY FUND TYPES**  
**DISCRETELY PRESENTED OTHER COMPONENT UNITS**  
**JUNE 30, 1998**  
**(in thousands)**

	<u>Department of Environmental Protection</u>
<b>ASSETS</b>	
Investments	<u>\$ 44,634</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 44,634</b></u>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 8,411
Other liabilities	<u>36,223</u>
<b>TOTAL LIABILITIES</b>	<u><b>\$ 44,634</b></u>

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*Other Component Units -  
Account Groups*

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# STATE OF FLORIDA

**COMBINING BALANCE SHEET  
GENERAL FIXED ASSETS AND GENERAL LONG-TERM DEBT ACCOUNT GROUPS  
DISCRETELY PRESENTED OTHER COMPONENT UNITS  
JUNE 30, 1998  
(in thousands)**

**ASSETS**

Land	\$ 1,288,277
Buildings and improvements	128,502
Furniture and equipment	550,537
Construction in progress	95,438
Amount available in debt service fund	85,391
Amount to be provided	<u>316,528</u>

**TOTAL ASSETS** \$ 2,464,673

**LIABILITIES AND EQUITY**

Liabilities:	
Accounts payable and accrued liabilities	\$ 11,017
Due to component units/primary	20,545
Bonds payable	337,065
Notes and leases payable	1,927
Compensated absences	17,336
Other liabilities	<u>14,029</u>

**Total Liabilities** 401,919

Equity:	
Investment in fixed assets	<u><u>2,062,754</u></u>

**TOTAL LIABILITIES AND EQUITY** \$ 2,464,673

S T A T I S T I C A L  
*and*



Roseate Spoonbill  
(Threatened Species)

E C O N O M I C  
*Data*



# STATE OF FLORIDA

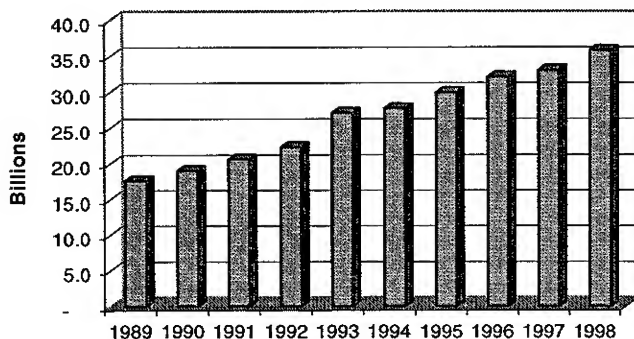
## Revenues by Source - All Governmental Fund Types For the Last Ten Fiscal Years (in thousands)

<u>Source</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>
Taxes	\$ 12,068,156	\$ 12,829,532	\$ 13,339,913	\$ 13,972,062
Licenses and Permits	547,618	605,873	661,538	678,858
Fees and Charges	876,395	773,895	1,251,259	1,661,926
Grants and Donations	3,411,329	3,990,957	4,618,014	5,241,538
Investment earnings	339,542	367,749	340,522	318,887
Fines, forfeits and judgments	114,889	110,177	130,612	154,029
Flexible benefits contributions	.....	.....	5,552	14,375
Refunds	219,998	222,202	190,143	238,335
Other revenues	11,657	105,910	44,205	39,993
<b>Total</b>	<b>\$ 17,589,584</b>	<b>\$ 19,006,295</b>	<b>\$ 20,581,758</b>	<b>\$ 22,320,003</b>

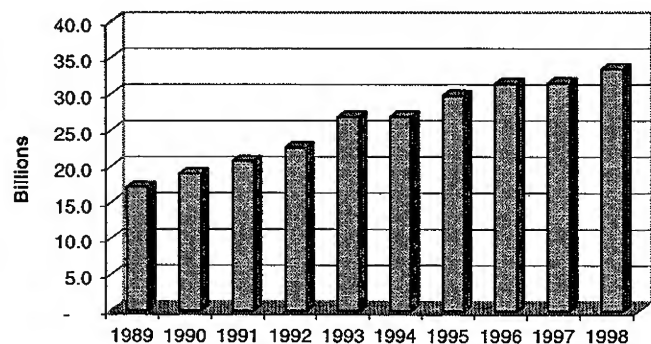
## Expenditures by Function - All Governmental Fund Types For the Last Ten Fiscal Years (in thousands)

<u>Function</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>
Economic opportunities, agriculture & employment	\$ 628,473	\$ 620,240	\$ 721,467	\$ 790,926
Public safety	1,129,638	1,298,654	1,433,316	1,515,939
Education	5,843,532	6,754,376	7,078,390	7,101,763
Health & social concerns	4,849,706	5,678,086	6,544,315	7,847,174
Housing & community development	85,215	90,000	92,507	119,088
Natural resources & environmental management	388,346	426,175	511,641	523,520
Recreational & cultural opportunities	102,874	113,564	118,600	104,137
Transportation	382,653	430,014	500,892	572,052
Governmental direction & support services	1,902,115	2,045,579	2,017,608	2,147,577
Capital outlay	1,420,312	1,184,616	1,117,348	1,334,310
Debt service	409,473	395,137	516,742	534,935
<b>Total</b>	<b>\$ 17,142,337</b>	<b>\$ 19,036,441</b>	<b>\$ 20,652,826</b>	<b>\$ 22,591,421</b>

**Total Revenues by Source - All Governmental  
Fund Types**



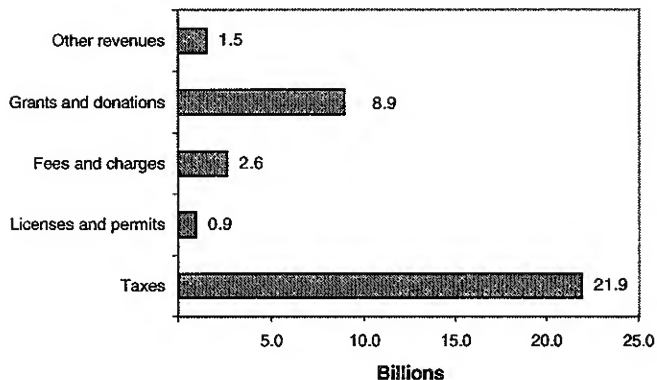
**Total Expenditures by Function - All Governmental  
Fund Types**



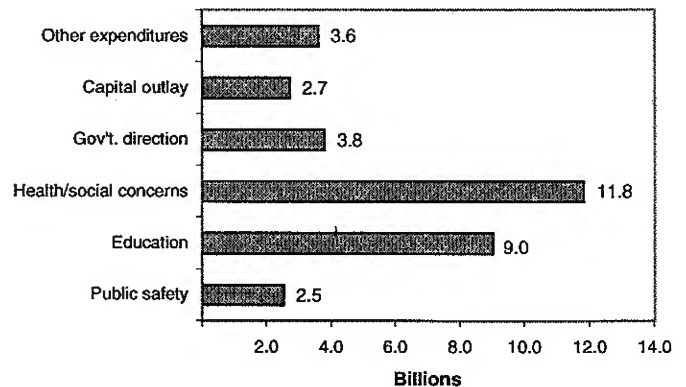
<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
\$ 15,795,969	\$ 16,950,102	\$ 18,189,386	\$ 19,477,977	\$ 20,177,324	\$ 21,895,836
698,173	755,732	785,524	826,009	836,415	908,028
2,488,688	2,222,442	2,228,621	1,566,989	1,819,323	2,582,493
7,205,005	6,878,455	7,560,806	9,216,221	8,935,592	8,933,147
336,179	288,997	376,864	427,631	420,820	589,347
179,873	181,103	137,715	133,553	171,104	338,908
42,932	47,955	.....	.....	56,708	56,505
346,477	407,672	573,595	453,455	503,094	537,394
48,064	567	76	875	37,335	7,860
<b>\$ 27,141,360</b>	<b>\$ 27,733,025</b>	<b>\$ 29,852,587</b>	<b>\$ 32,102,710</b>	<b>\$ 32,957,715</b>	<b>\$ 35,849,518</b>

<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
\$ 962,363	\$ 1,024,250	\$ 1,124,440	\$ 953,637	\$ 861,593	\$ 922,992
1,934,059	2,022,303	2,125,187	2,515,430	2,470,513	2,477,333
7,488,800	7,533,547	8,062,058	8,214,406	8,726,968	9,034,923
9,737,168	9,204,564	10,748,961	12,273,160	10,808,035	11,778,321
146,991	108,578	92,962	222,890	206,695	168,915
588,045	616,178	643,128	523,894	633,479	614,329
100,865	124,429	144,241	138,278	169,357	150,813
604,807	679,424	632,880	813,125	873,326	871,040
3,032,895	2,943,663	3,019,473	2,723,198	3,684,412	3,754,844
1,550,935	1,936,916	2,431,916	2,317,256	2,262,697	2,694,903
645,670	638,288	660,570	746,911	797,516	904,607
<b>\$ 26,792,598</b>	<b>\$ 26,832,140</b>	<b>\$ 29,685,816</b>	<b>\$ 31,442,185</b>	<b>\$ 31,494,591</b>	<b>\$ 33,373,020</b>

**Revenues by Source - All Governmental Fund  
Types (1998)**



**Expenditures by Function - All Governmental Fund  
Types (1998)**

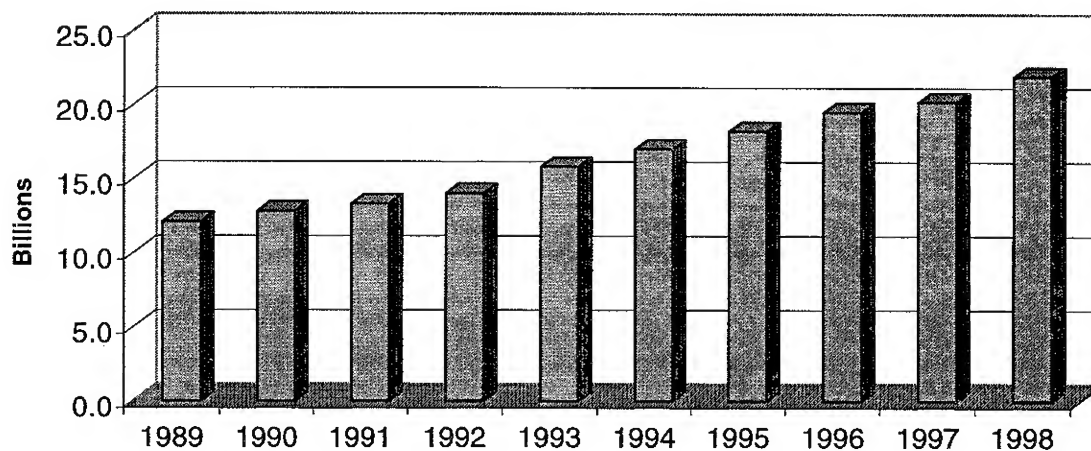


# STATE OF FLORIDA

## Tax Revenues by Source - All Governmental Fund Types For the Last Ten Fiscal Years (in thousands)

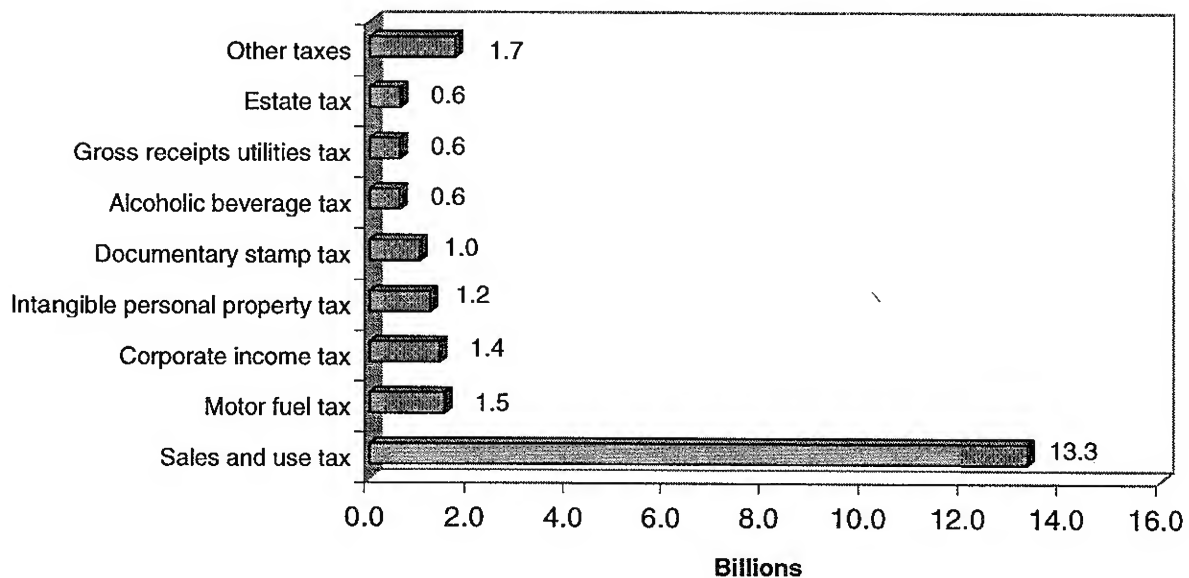
<u>Tax Source</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>
Sales and use tax	\$ 7,616,398	\$ 8,245,664	\$ 8,206,205	\$ 8,410,871	\$ 9,521,564
Motor fuel tax	669,122	714,715	871,596	1,069,211	1,152,430
Corporate income tax	884,431	805,703	698,365	810,764	853,405
Intangible personal property tax	227,644	418,172	522,035	588,165	788,205
Documentary stamp tax	447,745	429,597	470,274	503,921	639,240
Alcoholic beverage tax	445,660	450,566	528,792	521,453	528,126
Gross receipts utilities tax	403,627	300,106	336,915	392,027	442,416
Cigarette tax	343,876	337,114	466,394	444,377	460,833
Estate tax	197,882	257,820	300,962	291,425	307,472
Insurance premium tax	255,178	294,183	285,743	282,584	290,673
Hospital public assistance tax	161,151	141,874	159,921	154,291	192,511
Workers' compensation special disability tax	63,296	88,094	115,464	110,097	129,981
Pollutant tax	54,363	58,634	68,171	88,981	193,025
Pari-mutuel wagering tax	110,145	106,599	101,980	96,519	86,796
Citrus excise tax	57,971	47,188	62,540	66,808	65,769
Solid minerals severance tax	53,929	56,449	62,836	60,178	56,041
Aviation fuel tax	42,714	43,419	49,781	50,830	55,293
Utility regulatory tax	14,982	18,885	22,168	22,156	22,835
Smokeless tobacco tax	.....	.....	.....	.....	.....
Oil and gas production tax	8,888	9,524	9,335	7,092	8,406
Special fuel and motor fuel use tax	2,040	.....	.....	.....	.....
Other	7,114	5,226	436	312	948
<b>Total</b>	<b>\$ 12,068,156</b>	<b>\$ 12,829,532</b>	<b>\$ 13,339,913</b>	<b>\$ 13,972,062</b>	<b>\$ 15,795,969</b>

**Total Tax Revenues - All Governmental Fund Types**



<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
\$ 10,073,654	\$ 11,102,171	\$ 12,016,938	\$ 12,113,145	\$ 13,349,272
1,235,256	1,267,392	1,376,303	1,438,264	1,518,286
1,047,680	1,055,437	1,087,145	1,358,387	1,395,566
835,121	795,182	983,613	980,914	1,164,297
775,662	699,745	791,342	864,216	1,005,378
551,654	525,692	542,207	553,919	566,277
449,107	511,858	546,856	585,466	638,077
432,868	469,779	429,193	431,221	444,838
359,321	436,902	450,500	568,875	563,665
322,023	352,940	402,561	417,775	426,511
214,512	239,651	248,433	253,725	272,722
173,624	228,878	105,064	85,807	71,716
196,268	197,202	200,052	213,843	215,992
98,669	90,594	85,097	64,835	63,526
53,189	56,578	48,865	68,379	65,026
48,270	55,571	45,695	64,680	61,269
50,527	51,104	63,106	55,766	16,623
23,813	24,144	25,400	27,173	27,890
.....	18,566	19,498	19,287	21,001
6,557	8,470	9,076	10,472	6,539
.....	.....	.....	.....	.....
2,327	1,530	1,033	1,175	1,365
<u>\$ 16,950,102</u>	<u>\$ 18,189,386</u>	<u>\$ 19,477,977</u>	<u>\$ 20,177,324</u>	<u>\$ 21,895,836</u>

**Tax Revenues by Source - All Governmental Fund Types (1998)**



## Pension Trust Fund Required Supplementary Information

### Schedule of Funding Progress (in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Annualized Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 1991	\$ 23,484,330 (1)	\$ 39,258,990	\$ 15,774,660	59.82%	\$ 13,898,283	113.50%
July 1, 1993	31,692,778	45,655,929	13,963,151	69.42%	14,562,056	95.89%
July 1, 1995	41,585,509	54,027,447	12,441,938	76.97%	16,280,775	76.42%
July 1, 1997	56,220,804	61,610,883 (2)	5,390,079	91.25%	17,257,738	31.23%

### Schedule of Employer Contributions (in thousands)

Year Ended 6/30	Annual Required Contributions	Percent Contributed
1992	\$ 2,347,671	100%
1993	2,529,042	100%
1994	2,734,628	100%
1995	2,880,128	100%
1996	2,967,448	100%
1997	3,036,978	100%
1998	3,206,516	100%

### Notes to Required Supplementary Information

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	July 1, 1997
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay, Closed

Equivalent single amortization period	7 Years
Asset valuation method	5-Year Smoothed Method

Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases	7.25%
Includes inflation at	5.50%
Cost-of-Living Adjustments	3.00%

(1) Reflects restatement of 1991 actuarial value of assets.

(2) For the July 1, 1997, Actuarial Valuation, two assumptions were changed. The active member growth assumption changed from 1.50% to 0.00% to comply with GASB 25, and the projected salary increases was changed from 7.50% to 7.25%.

## State of Florida Population by Age

Age Group	1990 Census	Percent	2010 Projection	Percent
0 - 14	2,485,736	19.21	3,106,102	17.33
15 - 24	1,656,658	12.80	2,256,124	12.58
25 - 44	3,898,652	30.13	4,182,324	23.33
45 - 64	2,540,555	19.64	4,988,077	27.82
65 and Over	2,356,325	18.22	3,395,208	18.94
Total	12,937,926	100.00	17,927,835	100.00

Source: U.S. Department of Commerce, Bureau of Census, 1990 Census of Population: General Population Characteristics, Florida, and University of Florida Bureau of Economic and Business Research Population Program, unpublished data.

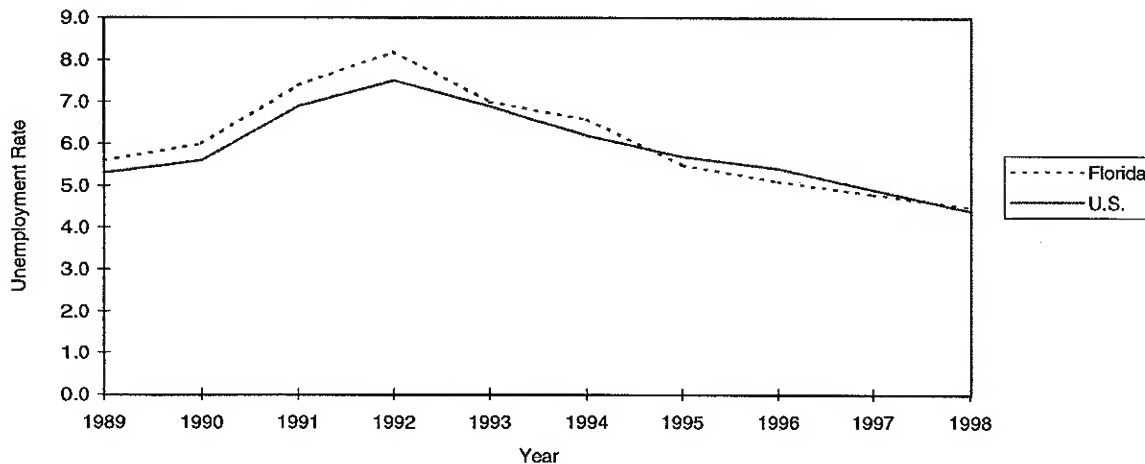
## Economic Indicators For the Calendar Years 1989 through 1998

Year	Unemployment Rate		Personal Income (in millions)		Florida Population	Florida Tourist Arrivals
	Florida	U.S.	Florida	U.S.		
1989	5.6	5.3	\$233,041	\$4,500,963	12,643,540	38,706,000
1990	6.0	5.6	249,766	4,804,208	13,009,970	41,249,000
1991	7.4	6.9	260,004	4,981,596	13,249,027	39,509,000
1992	8.2	7.5	270,834	5,277,213	13,453,188	40,700,000
1993	7.0	6.9	292,534	5,519,213	13,674,233	41,176,000
1994	6.6	6.2	306,658	5,791,772	13,947,982	40,079,000
1995	5.5	5.7	328,067	6,150,786	14,213,992	40,610,000
1996	5.1	5.4	348,849	6,495,248	14,483,236	42,877,000
1997	4.8	4.9	369,729	6,784,000	14,790,750	47,245,000
1998 *	4.5	4.4	392,436	7,124,000	15,065,750	49,127,000

\*Forecast

Source: Office of Economic and Demographic Research, Legislative Support Services, Florida Legislature.

## Unemployment Rate - Florida and the U.S. For the Calendar Years 1989 through 1998



**Per Capita State Full Faith and Credit Debt  
For the Last Ten Fiscal Years  
(in dollars)**

<u>Year</u>	<u>Population</u>	(1)(2) Primarily Payable From <u>Pledged Revenues</u>	<u>Per Capita</u>
1989	12,643,540	\$3,921,571,000	310.16
1990	13,009,970	4,132,977,000	317.68
1991*	13,249,027	4,401,683,000	332.23
1992*	13,453,188	5,179,775,000	385.02
1993*	13,674,233	5,594,855,000	409.15
1994*	13,947,982	6,074,395,000	435.50
1995*	14,213,992	6,823,860,000	480.08
1996*	14,483,236	7,390,695,000	510.29
1997*	14,790,750	7,892,140,000	533.59
1998*	15,065,750	8,703,155,000	577.68

(1) Additionally secured by the full faith and credit of the state.

(2) Excludes refunded debt.

\* Population estimate by the Office of Economic and Demographic Research,  
Legislative Support Services, Florida Legislature.

**Ratio of Annual Debt Service Payments for General Bonded Debt  
to Total Expenditures - All Governmental Fund Types  
For the Last Ten Fiscal Years  
(in thousands)**

<u>Year</u>	<u>Governmental Debt Service Payments(1)</u>	<u>Governmental Fund Type Expenditures(2)</u>	<u>Ratio</u>
1989	\$349,548	\$17,142,337	2.04%
1990	488,905	19,036,441	2.57%
1991	439,962	20,652,826	2.13%
1992	460,341	22,591,421	2.04%
1993	461,801	26,792,598	1.72%
1994	462,525	27,894,730	1.66%
1995	547,931	29,486,122	1.86%
1996	706,886	32,912,183	2.15%
1997	750,135	31,494,591	2.38%
1998	668,435	33,373,020	2.00%

(1) Source: State Board of Administration Annual Report.

(2) Governmental fund types include the general, special revenue,  
capital projects and debt service funds.

**Schedule of Revenue Bond Coverage**  
**Transportation Authorities and Toll Facilities**  
**For the Fiscal Years Ended**  
**(in thousands)**

<u>Year</u> <u>Ended</u> <u>6/30</u>	<u>Gas</u> <u>Tax</u>	<u>Toll</u> <u>Revenues</u>	<u>Interest</u> <u>Revenue</u>	<u>(1)</u> <u>Expenses</u>	<u>Net Available</u> <u>for Debt</u> <u>Service</u>	<u>Debt (2)</u> <u>Service</u> <u>Payments</u>	<u>Coverage</u> <u>Ratio</u>	
<b>Sunshine Skyway Bridge</b>								
1989	\$ .....	\$ 8,693	\$ 1,261	\$ 1,876	\$ 8,078	\$ 3,452	2.34	(3)
1990	.....	9,209	1,401	1,741	8,869	3,463	2.56	(3)
1991	.....	9,189	1,692	1,744	9,137	3,512	2.60	
1992	.....	9,381	892	2,041	8,232	2,788	2.95	
1993	.....	9,858	457	2,158	8,157	3,137	2.60	
1994	.....	10,580	419	1,897	9,102	3,135	2.90	
1995	.....	11,457	519	2,642	9,334	3,133	2.98	
1996	.....	11,859	342	4,367	7,834	3,133	2.50	
1997	.....	12,752	334	2,648	10,438	3,138	3.33	
1998	.....	13,312	371	2,810	10,873	3,128	3.48	
<b>Florida Turnpike</b>								
1990	\$ .....	\$ 123,005	\$ 6,790	\$ 76,886	\$ 52,909	\$ 18,565	2.85	
1991	8,356	134,646	9,253	98,314	53,941	51,114	1.06	
1992	8,209	151,095	8,930	83,122	85,112	63,646	1.34	
1993	.....	167,386	7,732	78,920	96,198	45,420	2.12	
1994	.....	195,324	8,042	79,924	123,442	75,948	1.63	
1995	.....	213,797	2,697	106,318	113,429	44,085	2.57	
1996	.....	243,724	15,695	104,297	155,122	78,005	1.99	
1997	.....	266,481	12,141	101,186	177,436	78,053	2.27	
1998	.....	289,732	15,372	99,821	205,283	97,956	2.10	

- (1) Direct operating expenses excluding depreciation, amortization and interest expense.  
(2) Source: State Board of Administration Annual Report.  
(3) These debt service payments do not include additional payments made for future redemption.



## Schedules of Revenue Bond Coverages

### Save Our Coast Bonds For the Last Ten Fiscal Years (in thousands)

Year Ended 6/30	Available (1) Documentary Stamp Tax	Interest Revenue	Net Available for Debt Service	Debt (2) Service Payments	Coverage Ratio
1989	\$ 64,292	\$ 2,122	\$ 66,414	\$ 26,606	2.50
1990	58,425	1,841	60,266	26,613	2.26
1991	46,066	2,511	48,577	26,610	1.83
1992	49,374	1,943	51,317	26,026	1.97
1993	53,330	1,978	55,308	26,042	2.12
1994	67,669	1,808	69,477	25,081	2.77
1995	60,094	1,600	61,694	25,068	2.46
1996	66,995	1,387	68,382	25,085	2.73
1997	216,244	1,715	217,959	25,199	8.65
1998	260,610	1,557	262,167	25,223	10.39

(1) Refer to Section 201.15, Florida Statutes.

(2) Source: State Board of Administration Annual Report.

### Conservation and Recreation Land For the Last Ten Fiscal Years (in thousands)

Year Ended 6/30	Available (1) Documentary Stamp Tax	Phosphate (2) Severance	Interest Revenue	Net Available for Debt Service	Debt (3) Service Payments	Coverage Ratio
1989	\$ 41,193	\$ .....	\$ 214	\$ 41,407	\$ 3,372	12.28
1990	39,523	10,000	317	49,840	3,239	15.39
1991	32,441	10,000	309	42,750	3,229	13.24
1992	33,057	10,000	304	43,361	3,234	13.41
1993	35,700	10,000	295	45,995	3,191	14.41
1994	45,299	10,000	299	55,598	3,190	17.43
1995	43,261	10,000	342	53,603	1,165	46.01
1996	48,199	10,000	203	58,402	2,923	19.98
1997	216,244	10,000	205	226,449	2,895	78.22
1998	260,610	10,000	213	270,823	2,871	94.33

(1) Refer to Section 201.15, Florida Statutes.

(2) Refer to Section 211.3103, Florida Statutes.

(3) Source: State Board of Administration Annual Report.

### Facilities Management Pool Bonds For the Last Ten Fiscal Years (in thousands)

Year Ended 6/30	Revenue	Interest Revenue	Net Available for Debt Service	Debt (1) Service Payments	Coverage Ratio
1989	\$ 33,791	\$ 1,795	\$ 35,586	\$ 11,944	2.98
1990	47,813	2,093	49,906	13,014	3.83
1991	50,015	2,713	52,728	16,694	3.16
1992	62,750	2,497	65,247	16,942	3.85
1993	50,105	776	50,881	17,431	2.92
1994	60,913	1,169	62,082	15,836	3.92
1995	63,623	1,482	65,105	19,455	3.35
1996	58,746	1,905	60,651	21,453	2.83
1997	57,247	1,649	58,896	22,749	2.59
1998	61,780	2,326	64,106	23,879	2.68

(1) Source: State Board of Administration Annual Report.

## Cash Receipts from Farm Marketing For Ten Years (in thousands)

Year	Citrus	Vegetables & Melons	Field Crops	Other Crops*	Total Crops	Milk & Cattle	Poultry & Eggs	Other Livestock	Total Livestock & Prods	Total Farm Receipts
1988	\$ 1,820,489	\$ 1,186,913	\$ 585,450	\$ 1,095,977	\$ 4,688,829	\$ 746,851	\$ 254,036	\$ 149,972	\$ 1,150,859	\$ 5,839,688
1989	1,765,466	1,543,965	598,201	1,115,310	5,022,942	744,628	308,652	162,107	1,215,387	6,238,329
1990	1,509,596	1,238,950	595,195	1,139,744	4,483,485	811,568	288,758	160,347	1,260,673	5,744,158
1991	1,590,726	1,557,849	662,613	1,158,149	4,969,337	736,298	277,068	158,287	1,171,653	6,140,990
1992	1,480,585	1,658,050	656,858	1,189,420	4,984,913	744,868	259,678	155,049	1,159,595	6,144,508
1993	1,238,422	1,630,065	621,381	1,058,476	4,548,344	747,998	298,831	154,756	1,201,585	5,749,929
1994	1,465,419	1,397,380	656,537	1,267,010	4,786,346	744,245	291,605	155,774	1,191,624	5,977,970
1995	1,484,703	1,267,464	661,390	1,305,540	4,719,097	653,330	315,237	161,243	1,129,810	5,848,907
1996	1,605,686	1,303,167	679,326	1,354,286	4,942,465	648,288	353,469	186,436	1,188,193	6,130,658
1997	1,376,228	1,565,723	649,387	1,400,218	4,991,556	720,708	353,838	190,295	1,264,841	6,256,397

\*From 1986, forestry products excluded.

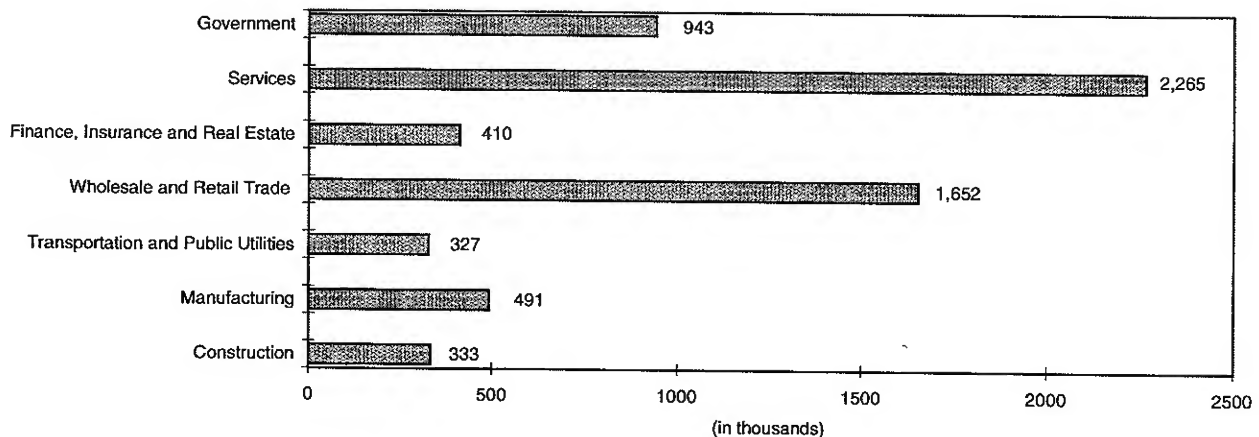
Source: Florida Agriculture, U.S. Department of Agriculture, Statistical Reporting Service: Florida Department of Agriculture, Division of Marketing, and University of Florida Agriculture Experiment Station.

## Nonagricultural Employment by Industry For Ten Years (in thousands)

Year	Mining	Construction	Manufacturing	Transportation and Public Utilities	Wholesale and Retail Trade	Insurance and Real Estate	Services	Government	Total
1988	9.1	348.6	540.8	260.4	1,384.7	365.1	1,397.4	774.2	5,080.3
1989	9.4	349.8	543.5	260.5	1,424.9	370.4	1,450.2	797.9	5,206.6
1990	8.7	324.1	522.3	276.6	1,457.5	370.6	1,599.0	844.3	5,403.1
1991	8.0	276.4	493.5	273.5	1,391.0	357.0	1,615.2	865.7	5,280.3
1992	7.0	262.8	480.7	272.8	1,409.2	352.0	1,685.0	869.2	5,338.7
1993	6.3	286.7	484.2	285.6	1,452.2	356.6	1,814.3	881.5	5,567.4
1994	7.0	297.5	483.9	295.2	1,506.4	376.0	1,923.9	906.6	5,796.5
1995	6.9	303.6	482.4	303.4	1,547.9	376.4	2,056.1	923.6	6,000.3
1996	6.9	323.5	490.4	314.1	1,607.0	393.8	2,117.6	929.2	6,182.5
1997	6.6	333.1	491.0	327.0	1,651.8	410.0	2,265.3	942.8	6,427.6

Source: Florida Department of Labor and Employment Security, Bureau of Labor Market Information. Current Employment Statistics Program, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

## Number of Employees by Industry - 1997 (Nonagricultural)



# STATE OF FLORIDA

## Statistics Regarding State Commercial Banks and Trust Companies (in thousands)

<u>Year</u>	<u>Number of Banks</u>	<u>Total Assets</u>	<u>Total Capital</u>	<u>Total Loans</u>	<u>Total Deposits</u>
1895	21	\$ 1,692	\$ 666	\$ 943	\$ 974
1900	22	4,510	1,006	2,637	3,408
1905	41	14,338	3,222	9,332	10,291
1910	113	27,599	5,607	17,711	20,884
1915	192	42,656	9,811	26,280	30,527
1920	212	114,374	13,272	71,347	95,349
1925	271	539,101	33,427	309,492	501,553
1930	151	92,928	16,422	38,534	70,235
1935	102	64,276	9,768	13,662	53,552
1940	114	116,169	14,233	31,285	101,545
1945	112	450,838	20,135	36,851	430,256
1950	130	619,824	37,603	128,517	580,607
1955	146	1,138,114	67,726	329,340	1,064,763
1960	181	1,781,837	139,368	711,387	1,620,185
1965	243	2,571,685	216,444	1,139,398	2,541,195
1970	282	5,603,445	425,945	2,668,971	4,996,082
1975	449	11,757,147	989,185	5,860,781	10,346,695
1980	358	22,416,088	1,679,111	10,380,658	17,942,643
1981	321	21,303,799	1,609,024	10,423,906	17,991,930
1982	297	20,912,278	1,570,467	9,978,160	18,175,117
1983	274	22,940,431	1,678,551	11,152,310	20,212,039
1984	256	23,186,313	1,636,747	12,568,673	20,319,366
1985	251	24,160,155	1,627,920	13,372,532	21,321,726
1986	241	28,055,385	1,896,402	16,174,559	24,948,817
1987	246	30,362,358	2,136,083	18,647,857	26,683,250
1988	251	31,658,397	2,264,319	19,950,857	27,831,065
1989	258	32,801,720	2,402,253	21,338,510	29,128,762
1990	261	37,247,099	2,587,920	23,452,081	33,324,544
1991	260	39,051,128	2,852,114	23,705,240	35,021,312
1992	256	41,551,323	3,196,327	25,095,945	37,137,219
1993	248	51,271,342	4,265,301	32,194,235	44,490,477
1994	238	58,803,093	4,783,598	38,780,991	50,081,893
1995	224	58,344,123	5,143,296	38,962,040	49,393,436
1996*	238	58,803,093	4,783,598	38,780,991	50,081,893
1997*	180	35,464,125	3,266,522	23,194,221	28,937,982

Does not include nondeposit trust companies or industrial savings banks.

Source: *Annual Report of the Division of Banking*, 1995, Office of the Comptroller.

\* Information obtained from the Comptroller's Web Page; Address: <http://www.dbf.state.fl.us>

## History of Headcount Enrollments State University System Fall 1988 through 1997

	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
Educational & General:										
University of Florida	31,370	31,481	31,569	32,159	31,922	32,578	32,827	33,394	32,314	33,524
Florida State University	25,555	27,582	28,054	28,093	27,810	27,951	28,794	29,390	29,345	29,629
Florida A & M University	6,247	7,182	8,030	8,801	9,049	9,378	9,650	9,784	10,206	10,477
University of South Florida	28,621	30,255	30,691	31,771	32,467	32,773	33,614	33,829	34,024	31,906
Florida Atlantic University	11,361	11,629	13,004	14,264	14,822	15,760	17,367	17,671	18,350	19,107
University of West Florida	7,017	7,631	7,842	7,943	7,386	7,564	7,716	8,087	7,882	7,855
University of Central Florida	18,158	20,084	21,376	21,267	21,682	23,531	25,363	26,325	27,411	28,302
Florida International University	17,703	19,767	22,122	23,275	22,597	23,832	26,040	27,542	29,098	29,357
University of North Florida	7,061	7,544	7,860	8,504	9,027	9,212	9,777	10,224	10,708	11,116
Florida Gulf Coast University	.....	.....	.....	.....	.....	.....	.....	.....	.....	2,446
Total	153,093	163,155	170,548	176,077	176,762	182,579	191,148	196,246	199,338	203,719
Special Units: (1)										
UF-Institute of Food and Agricultural Sciences	1,354	1,453	1,620	1,748	1,971	2,141	2,403	2,772	3,513	3,981
UF-Health Center and Veterinary Medicine	2,642	2,747	2,759	2,932	2,961	2,965	3,087	3,174	3,845	3,924
USF-Medical Center	930	956	1,033	1,132	1,202	1,243	1,293	1,286	1,337	1,442
Total Special Units	4,926	5,156	5,412	5,812	6,134	6,349	6,783	7,232	8,695	9,347

(1) Includes medical professionals.

Source: Student data course file enrollment reports, Board of Regents.

## Schedule of Revenue Bond Coverage State University System For the Last Ten Fiscal Years (in thousands)

<u>Year</u>	<u>Beginning Fund Balance</u>	<u>Operating Revenue</u>	<u>Expenditures and Transfers</u>	<u>Net Available for Debt Service</u>	<u>Debt Service Payments</u>	<u>Coverage Ratio</u>
1989	\$ 204,240	\$ 1,510,024	\$ 1,469,122	\$ 245,142	\$ 13,938	17.59
1990	245,142	1,682,551	1,655,717	271,976	13,267	20.50
1991	271,976	1,715,628	1,683,797	303,807	13,809	22.00
1992	*168,771	1,722,176	1,724,160	166,787	19,815	8.41
1993	*166,731	1,801,888	1,773,890	194,729	18,644	10.45
1994	*175,085	1,858,262	1,856,779	176,568	20,456	8.63
1995	176,568	1,947,750	1,911,881	212,437	21,456	9.90
1996	212,437	2,170,327	2,137,055	245,709	28,829	8.52
1997	*246,086	2,336,550	2,331,770	250,866	30,017	8.36
1998	250,866	2,554,670	2,472,759	332,777	34,185	9.73

\*Adjusted beginning fund balance due to prior period adjustments.

## Florida Facts

Date Florida Became Part of the United States .....	1821
Inception as a State (27th State) .....	March 3, 1845
First Permanent European Settlement .....	1565, St. Augustine, by Spain
Form of Government .....	Legislative-Executive-Judicial
Capitol .....	Tallahassee

### State Symbols

Flower .....	Orange Blossom
Tree .....	Sabal Palm
State Marine Mammal .....	Manatee
Animal .....	Florida Panther
Freshwater Fish .....	Largemouth Bass
Saltwater Fish .....	Sailfish
Bird .....	Mockingbird

Total Area .....	58,560 square miles
Land Area .....	54,252 square miles
Water Area .....	4,308 square miles
Miles of State Highways .....	over 12,000 miles
Coastline .....	1,197 statute miles
Number of Lakes (greater than 10 acres) .....	about 7,700
Number of Islands (greater than 10 acres) .....	about 4,500
Highest Natural Point .....	345 feet above sea level

### Recreation

Number of State Parks .....	150
Area of State Parks .....	432,444 Acres
Florida's National Parks .....	Big Cypress, Biscayne, Dry Tortugas, & Everglades
Florida's National Forests .....	Apalachicola, Ocala, & Osceola
Number of National Wildlife Refuge and National Marine Sanctuaries .....	13

Source: Florida Departments of State, Agriculture, and Transportation



Low-growing, spider-like red mangroves signal the transition at the edge where fresh and salt waters meet. The high water of the autumn is fresh, but by spring the water that remains is brackish.



The Everglades Kite (Snail Kite) is another example of how limited food has led to a species decline. Extensive draining of marshlands led to the rapid depletion of the Apple Snail, the Kite's only source of food. With less than a few hundred remaining, the endangered Kite is one of the rarest birds in the United States.



F L O R I D A  
*Comprehensive*  
A N N U A L  
*Financial Report*



1998